



# **Visakhapatnam Port Authority**

## **Request for Qualification (RFQ) Document**

**For**

**Development and Mechanization of Existing East Quay-6  
(EQ-6) Berth in the Inner Harbour at Visakhapatnam  
Port for handling of all types of Cargoes on Design,  
Build, Finance, Operate and Transfer (DBFOT) basis  
(TENDER NO. IENG/PPP/EQ-6/RFQ-RFP/2023/07, Dated 26/04/2023)**

**April 2023**

**Issued By -**

**Visakhapatnam Port Authority,  
Visakhapatnam – 530035**



## **Visakhapatnam Port Authority (Civil Engineering Department)**

**NAME OF WORK: Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis**

**(TENDER NO. IENG/PPP/EQ-6/RFQ-RFP/2023/07, Dated 26/04/2023)**

**RFQ DOCUMENT COPY NO. \_\_\_\_\_**

**ISSUED TO: -**

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**RFQ DOCUMENT AND RFP DOCUMENT WILL BE ISSUED BETWEEN 26/04/2023 To 23/06/2023**

**COST OF RFQ DOCUMENT AND RFP DOCUMENT TOGETHER IS INR. 47,200/- (Rupees Forty Seven Thousand & Two Hundred only) (NON REFUNDABLE AND INCLUDING GST @18%)**

**COMPLETED DOCUMENT (RFQ & RFP) IS TO BE SUBMITTED BEFORE 1500 HRS. ON 23/06/2023 AND RFQ DOCUMENT ONLY WILL BE OPENED AT 1530 HRS ON THE 26/06/2023.**

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**RFQ Document Issued By:**  
Chief Engineer,  
Civil Engineering Department,  
Visakhapatnam Port Authority,  
Visakhapatnam – 530035.  
Phone: 0891-2873353  
Fax: 0891-2565023  
Email: cevizagport@gmail.com/  
ce.avp.vpt@gov.in



## Visakhapatnam Port Authority

**TENDER NO. IENG/PPP/EQ-6/RFQ-RFP/2023/07, Dated 26/04/2023**

### **GLOBAL INVITATION OF REQUEST FOR QUALIFICATION and REQUEST FOR PROPOSAL (Single Stage Two Cover)**

for

Selection of private operator for the project of **“Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”** for a Concession Period of 30 years.

**Visakhapatnam Port Authority (VPA)** (the **“Authority”**) invites application from interested parties (Applicants) in accordance with the Request For Qualification (RFQ) document and Request for Proposal (RFP) document in order to select the private operator for the project, subject to national security clearance.

The Authority simultaneously calls for participation of the Bidders towards the second stage of the Bidding Process (the **“Bid Stage”**) comprising Request for Proposals (the **“Request for Proposals”** or **“RFP”**).

RFQ and RFP document containing instructions to Applicants, Criteria for Evaluation and Selection can be downloaded from the CPP e-tenders Portal, <https://etenders.gov.in> from 26/04/2023 @ 15:00 Hrs to 23/06/2023 @ 15:00 Hrs (IST). RFQ and RFP documents tender Fee together of Rs.47,200/- (Rupees Forty Seven Thousand & Two Hundred only) non-refundable including GST shall be paid directly online while submitting the RFQ and RFP documents in e-tenders portal by the Applicants on or before Application/Bid Due Date in a separate envelope.

The bidders shall upload the copy of the transaction details along with the Technical and Financial bid documents for having remitted the tender fee, without which the bid shall be summarily rejected.

VPA shall not be liable / responsible for any connectivity/internet problem either with the user side/NIC/Bank. It is in the own interest of the Applicants, Applicant may get it verified from Bank that the requisite money has been received by VPA for the NIT in which they are participating.

The downloading of RFQ and RFP documents are permitted up to Application/Bid Due Date. No editing/ addition/ deletion of the downloaded document shall be permitted. If such incident is observed at any stage, such Applications shall be liable for outright rejection.

The completed Application in the required format containing all information requested in RFQ and RFP documents should be submitted through online in CPP e-tenders Portal, <https://etenders.gov.in> and also submit the hard copies by hand delivery or sent by Registered Post/ Speed Post / Courier to reach the office of the Chief Engineer, Civil Engineering Department, Administrative Office Building, 3<sup>rd</sup> Floor, Visakhapatnam Port Authority, Visakhapatnam – 530035 before 1500 Hrs on 23/06/2023 and RFQ bids will be opened on 26/06/2023 at 1530 Hrs (IST).

**It must be noted that the Financial Offer i.e. RFP Bid shall ONLY be submitted ONLINE. Any Financial Offer submitted along with RFQ Application or in physical form shall be rejected by the Authority.**

The Authority shall only open the RFP bids for suitable pre-qualified Applicants based on RFQ bid evaluation. The RFP bids of the Applicants who is not qualified as per the RFQ Process shall be returned un-opened.

Pre-Application/Pre-Bid Conference is scheduled at 1500 Hrs (IST) on 25/05/2023 at the venue as given below:-

Venue:  
Board Room,  
1<sup>st</sup> Floor, Administrative Office Building,  
Visakhapatnam Port Authority,  
Visakhapatnam – 530035 (AP).

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*Note:., The Applicant shall be responsible to download Corrigendum /Addendums/ Amendments/ Reply to Queries etc. if any issued by the Port on CPP e-tender Portal, <https://etenders.gov.in>.*

Chief Engineer,  
Civil Engineering Department,  
Visakhapatnam Port Authority



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## Disclaimer

The information contained in this Request for Qualification document (the “**RFQ**”) or subsequently provided to Applicant(s), whether verbally or in documentary or any other form, by or on behalf of the Authority or any of its employees or advisors, is provided to Applicant(s) on the terms and conditions set out in this RFQ and such other terms and conditions subject to which such information is provided.

This RFQ is not an agreement and is neither an offer nor invitation by the Authority to the prospective Applicants or any other person. The purpose of this RFQ is to provide interested parties with information that may be useful to them in the formulation of their application for qualification pursuant to this RFQ (the “**Application**”). This RFQ includes statements, which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This RFQ may not be appropriate for all persons, and it is not possible for the Authority, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFQ. The assumptions, assessments, statements and information contained in this RFQ may not be complete, accurate, adequate or correct. Each Applicant should therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFQ and obtain independent advice from appropriate sources.

Information provided in this RFQ to the Applicant(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Authority accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Authority, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant or Bidder, under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFQ or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFQ and any assessment, assumption, statement or information contained therein or deemed to form part of this RFQ or arising in any way with pre-qualification of Applicants for participation in the Bidding Process.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Applicant upon the statements contained in this RFQ.

The Authority may, in its absolute discretion but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFQ.

The issue of this RFQ does not imply that the Authority is bound to select and short-list pre-qualified Applications for Bid Stage or to appoint the selected Bidder or Concessionaire, as the case may be, for the Project and the Authority reserves the right to reject all or any of the Applications or Bids without assigning any reasons whatsoever.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its Application including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority or any other costs incurred in connection with or relating to its Application. All such costs and expenses will remain with the Applicant and the Authority shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Application, regardless of the conduct or outcome of the Bidding Process.

## Glossary

<b>Applicant(s)</b>	As defined in Clause 1.2.1
<b>Application</b>	As defined in the Disclaimer
<b>Application Due Date</b>	As defined in Clause 1.1.5
<b>Associate</b>	As defined in Clause 2.2.9
<b>Authority</b>	As defined in Clause 1.1.1
<b>Bids</b>	As defined in Clause 1.2.3
<b>Bid Due Date</b>	As defined in Clause 1.2.3
<b>Bid Security</b>	As defined in Clause 1.2.4
<b>Bidders</b>	As defined in Clause 1.1.1
<b>Bidding Documents</b>	As defined in Clause 1.2.3
<b>Bidding Process</b>	As defined in Clause 1.2.1
<b>Bid Stage</b>	As defined in Clause 1.2.1
<b>Concessionaire</b>	As defined in Clause 1.1.2
<b>Concession Agreement</b>	As defined in Clause 1.1.2
<b>Conflict of Interest</b>	As defined in Clause 2.2.1(c)
<b>Consortium</b>	As defined in Clause 2.2.1(a)
<b>DBFOT</b>	As defined in Clause 1.1.1
<b>Eligible Experience</b>	As defined in Clause 3.2.1
<b>Eligible Projects</b>	As defined in Clause 3.2.1
<b>Estimated Project Cost</b>	As defined in Clause 1.1.4
<b>Financial Capacity</b>	As defined in Clause 2.2.2 (B)
<b>Government</b>	Government of India
<b>Highest Bidder</b>	As defined in Clause 1.2.8
<b>Jt. Bidding Agreement</b>	As defined in Clause 2.2.6 (g)
<b>Lead Member</b>	As defined in Clause 2.2.6 (c)
<b>LOA</b>	Letter of Award
<b>Member</b>	Member of a Consortium
<b>Net Worth</b>	As defined in Clause 2.2.4 (ii)
<b>O&amp;M</b>	Operation and Maintenance
<b>PPP</b>	Public Private Partnership
<b>Premium</b>	As defined in Clause 1.2.8
<b>Project</b>	As defined in Clause 1.1.1
<b>Qualification</b>	As defined in Clause 1.2.1
<b>Qualification Stage</b>	As defined in Clause 1.2.1
<b>Re. or Rs. or INR</b>	Indian Rupee
<b>RFP or Request for Proposals</b>	As defined in Clause 1.2.1
<b>RFQ</b>	As defined in the Disclaimer
<b>Royalty</b>	As defined in Clause 1.2.8
<b>SPV</b>	As defined in Clause 2.2.6
<b>Technical Capacity</b>	As defined in Clause 2.2.2 (A)
<b>Threshold Technical Capacity</b>	As defined in Clause 2.2.2 (A)

The words and expressions beginning with capital letters and defined in this document shall, unless repugnant to the context, have the meaning ascribed thereto herein above.

## VISAKHAPATNAM PORT AUTHORITY

### 1. INTRODUCTION

#### 1.1 Background

- 1.1.1 The Visakhapatnam Port Authority (the “**Authority**”) is engaged in the development of port and as part of this endeavour, the Authority has decided to undertake “**Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis**” (the “**Project**”) and has decided to carry out the bidding process for selection of a private entity as the bidder to whom the Project may be awarded. A brief description of the project may be seen in the Information Memorandum of the Project provided in Annexure A of the document. Brief particulars of the Project are as follows:

Name of the Project	Capacity	Indicative Project Cost (in Rs. Crore)
<b>Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis</b>	2.62 MTPA	Rs. 66.12 Crore

The Authority intends to pre-qualify and short-list suitable Applicants (the “**Bidders**”) who will be eligible for participation in the Bid Stage, for awarding the Project through an open competitive bidding process in accordance with the procedure set out herein.

- 1.1.2 The selected Bidder, who is either a company incorporated under the Companies Act, 1956/2013 or undertakes to incorporate as such prior to execution of the concession agreement (the “**Concessionaire**”) shall be responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of a long - term concession agreement (the “**Concession Agreement**”) to be entered into between the Concessionaire and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant hereto.
- 1.1.3 The scope of work broadly includes Design, Build, Finance, Operate, Transfer (DBFOT) and the management, operation and maintenance thereof through Public Private Partnership (the “**PPP**”) mode for Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes. The proposed facility will enable handling about 2.62 MTPA of all Cargoes. The major components of works are indicated below:

**Brief facilities of the Project is as detailed below:**

**BERTH AND BACKUP AREA**

**I. Mechanical Components**

1. Mobile Harbour Crane – 1 No. (1500 TPH)
2. Mobile Hoppers – 1 No. (150 T)
3. Wheel loaders - 7 Nos
4. Movable trucks - 23 Nos on Rental basis
5. Fork Lifts 5 Nos
6. Dust Suppression system

**STACK YARD**

**I. Civil & Structural Components**

1. Site Grading
2. Internal Roads
3. Storm water drain

**II. Electrical & Instrumentation**

1. Electrical Works

**Berth Specifications:**

Existing EQ-6 berth is of 255 m length to cater to the berthing requirement of up to 200 m LoA with draft up to 11.00 m.

- Compliance with environmental laws during implementation i.e., construction, operation, and maintenance.
- Providing handling facilities for discharge, storage, delivery and receipt, storage, shipment of cargoes duly achieving the standards of performance, safety, etc, as set out in the Concession Agreement and rendering all other services incidental thereon
- Taking custody of Cargo both in terms of Customs Act 1962 and M.P.A act 2021

- 1.1.4 Indicative capital cost of the Project (the “**Estimated Project Cost**”) specified in this RFQ and Bidding Documents of the Project. The assessment of actual costs, however, will have to be made by the Bidders.
- 1.1.5 The Authority shall receive Applications pursuant to this RFQ in accordance with the terms set forth herein as modified, altered, amended and clarified from time to time by the Authority, and all Applications shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Applications (the “**Application Due Date**”).

## 1.2 Brief Description of Bidding Process

- 1.2.1 The Authority has adopted a single-stage two cover bidding process (collectively referred to as the “**Bidding Process**”) for selection of the Bidder for award of the Project. The first stage (the “**Qualification Stage**”) of the process involves qualification (the “**Qualification**”) of interested parties/ consortia who make an Application in accordance with the provisions of this RFQ (the “**Applicant**”, which expression shall, unless repugnant to the context, include the Members of the Consortium). The second stage (the “**Proposal Stage**”) of the process involves selection (the “**Proposal**”) of qualified parties/ consortia in accordance with the provisions of this RFP (the “**Applicant**”, which expression shall, unless repugnant to the context, include the Members of the Consortium).

The Authority simultaneously calls for participation of the bidders towards the second stage of the Bidding Process (the “**Bid Stage**”) comprising Request for Proposals (the “**Request for Proposals**” or “**RFP**”).

Prior to making an Application, the Applicant shall pay to the Authority a sum of Rs 47,200/- (Rupees Forty Seven Thousand & Two Hundred only) including GST @18% as the cost of the RFQ and RFP documents and process to be paid directly online while submitting the RFQ and RFP document in e-tender portal.

The Authority shall only open the RFP bids for suitable pre-qualified Applicants based on RFQ bid evaluation. The RFP bids of the Applicants who is not qualified as per the RFQ Process shall be returned un-opened.

Government of India has issued guidelines (see **Appendix-V.**) for qualification of bidders seeking to acquire stakes in any public sector enterprise through the process of disinvestment. These guidelines shall apply *mutatis mutandis* to this Bidding Process. The Authority shall be entitled to disqualify an Applicant in accordance with the aforesaid guidelines at any stage of the Bidding Process. Applicants must satisfy themselves that they are qualified to bid, and should give an undertaking to this effect in the form at Appendix-I.

- 1.2.2 In the Qualification Stage, Applicants would be required to furnish all the information specified in this RFQ. As the Authority simultaneously calls for participation of the bidders towards the second stage of the Bidding Process (the “**Bid Stage**”) comprising Request for Proposals, the Applicants are, therefore, advised to visit the site and familiarise themselves with the Project.
- 1.2.3 In the Bid Stage, the Bidders will be called upon to submit their financial offers (the “**Bids**”) in accordance with the RFP and other documents provided by the Authority (collectively the “**Bidding Documents**”). The Bidding Documents for the Project can be downloaded from the CPP e-tender Portal, <https://etenders.gov.in> by every Applicant and shall pay to the Authority a sum of Rs. 47,200/- (Rupees Forty Seven Thousand & Two Hundred only) including GST @18% to be paid directly online while submitting the RFQ document in e-tender portal as the cost of the RFQ and RFP process fee. The Bid shall be valid for a period of not less than



180 days from the date specified in Clause 1.3 for submission of Bids (the “**Bid Due Date**”).

- 1.2.4 In terms of the RFP, a Bidder will be required to deposit, along with its Bid, a bid security equivalent to about 2% (two per cent) of the Estimated Project Cost (the “**Bid Security**”), refundable no later than 60 (sixty) days from the Bid Due Date, except in the case of the selected Bidder whose Bid Security shall be retained till it has provided a Performance Security under the Concession Agreement. The Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee acceptable to the Authority. In case a bank guarantee is provided, its validity period shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. Where a demand draft is provided, its validity shall not be less than 90 (ninety) days from the Bid Due Date for the purposes of encashment thereof by the Authority. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
- 1.2.5 Generally, the Highest Bidder shall be the selected Bidder. The remaining Bidders shall be kept in reserve and may, in accordance with the process specified in the RFP, be invited to match the Bid submitted by the Highest Bidder in case such Highest Bidder withdraws or is not selected for any reason. In the event that none of the other Bidders match the Bid of the Highest Bidder, the Authority may, in its discretion, invite fresh Bids from the remaining Bidders or annul the Bidding Process, as the case may be.
- 1.2.6 During the Bidding process, Bidders are invited to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the concession including implementation of the Project.
- 1.2.7 As part of the Bidding Documents, the Authority will provide a draft Concession Agreement and project/feasibility report prepared by the Authority/ its consultants and other information pertaining/ relevant to the Project available with it.
- 1.2.8 Bids will be invited for the Project on the basis of the royalty offered in the form of Royalty per MT of cargo handled in a month (the “**Royalty**”), to be paid on the monthly basis to the Authority for award of the Concession which would be indexed to as per the variations in the Wholesale Price Index (WPI) annually. The Concession period shall be 30 (Thirty) years. The Royalty amount per ton of cargo handled shall constitute the sole criteria for evaluation of bid. The project shall be awarded to the Bidder quoting the highest Royalty.

In this RFQ, the term “**Highest Bidder**” shall mean the Bidder who is offering the highest Royalty.

- 1.2.9 The Concessionaire shall fix the Tariff based on market conditions and on such other conditions, if any, as may be notified and made applicable by a competent authority,

under the provisions of the Tariff Guidelines 2021 for the Future PPP Concessionaires dated 21.12.2021.

1.2.10 Further and other details of the process to be followed at the Bid Stage and the terms thereof spelt out in the Bidding Documents.

1.2.11 Any queries or request for additional information concerning this RFQ and RFP shall be submitted in writing or by Fax or E-mails to the officer designated in Clause 2.13.3 by the specified date. The envelopes/ communications shall clearly bear the following identification/ title:

**“Queries/ Request for Additional Information: RFQ and RFP for “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”.**

### 1.3 Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

Sr. No.	Event Description	Date
1.	<b>Downloading of RFQ &amp; RFP documents online from CPP e-tender Portal, <a href="https://etenders.gov.in">https://etenders.gov.in</a></b>	From 26/04/2023 (IST) 1500 Hrs. to 23/06/2023 up to 1500 Hrs.
2.	Last date for receiving queries on RFQ and RFP	20/05/2023 up to 1530 Hrs. (IST)
3.	Pre-Application / Pre-Bid Conference	25/05/2023 @ 1500 Hrs (IST)
4.	Authority response to queries latest by	09/06/2023
5.	Application & Bid Due Date	23/06/2023 upto 1500 Hrs (IST)
6.	Opening of Application (RFQ) Date	26/06/2023 @ 1530 Hrs (IST)
7.	Opening of Bids (RFP) Date	Will be intimated
8.	Issuance of Letter of Award (LOA)	09/08/2023
9.	Validity of Application and Bids	180 days from Application/Bid Due Date
10	Signing of Concession Agreement	08/09/2023

### 1.4 Pre-Application Conference

The date, time and venue of the Pre-Application / Pre-Bid Conference shall be:

Date: 25/05/2023

Time: IST 1500 hrs

Venue: Board Room, Administrative Office Building, 1<sup>st</sup> Floor,  
Visakhapatnam Port Authority, Visakhapatnam-530035.

## 2. INSTRUCTIONS TO APPLICANTS

### A. GENERAL

#### 2.1 Scope of Application

- 2.1.1 The Authority wishes to receive Applications for Qualification in order to short-list experienced and capable Applicants for the Bid Stage.
- 2.1.2 Applicants are also required to submit the Bids (RFP) along with this RFQ for the Project.

#### 2.2 Eligibility of Applicants

- 2.2.1 For determining the eligibility of Applicants for their pre-qualification hereunder, the following shall apply:
  - (a) The Applicant for pre-qualification may be a single entity or a group of entities (the “**Consortium**”), coming together to implement the Project. However, no applicant applying individually or as a member of a Consortium, as the case may be, can be member of another Applicant. The term Applicant used herein would apply to both a single entity and a Consortium.
  - (b) An Applicant may be a natural person, private entity, government-owned entity or any combination of them with a formal intent to enter into an agreement or under an existing agreement to form a Consortium. A Consortium shall be eligible for consideration subject to the conditions set out in Clause 2.2.6 below.
  - (c) An Applicant shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Bidding Process. Any Applicant found to have a Conflict of Interest shall be disqualified<sup>1</sup>. An Applicant shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:
    - i. the Applicant, its Member or Associate (or any constituent thereof) and any other Applicant, its Member or any Associate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding of an Applicant, its Member or an Associate thereof (or any shareholder thereof having a shareholding of more than 5 per cent of the paid up and subscribed share capital of such Applicant, Member or Associate, as the case may be) in the other Applicant, its Member or Associate is less than 5 per cent of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company,

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<sup>1</sup> The provisions of sub-clauses (i), (iii) and (v) shall not apply to government companies.

pension fund or a public financial institution referred to in sub-section (4A) of the Companies Act, 2013. For the purposes of this Clause 2.2.1(c), indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the “**Subject Person**”) shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and (bb) subject always to sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% of the subscribed and paid up equity shareholding of such intermediary; or

- ii. a constituent of such Applicant is also a constituent of another Applicant;  
or
  - iii. such Applicant, or any Associate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Applicant, or any Associate thereof or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Applicant, its Member or any Associate thereof; or
  - iv. such Applicant has the same legal representative for purposes of this Application as any other Applicant; or
  - v. such Applicant, or any Associate thereof has a relationship with another Applicant, or any Associate thereof, directly or through common third party/ parties, that puts either or both of them in a position to have access to each other’s information about, or to influence the Application of either or each other; or
  - vi. such Applicant, or any Associate thereof has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.
- (d) An Applicant shall be liable for disqualification if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Applicant, its Member or any Associate thereof, as the case may be, in any manner for matters related to or incidental to the Project. For the avoidance of doubt, this disqualification shall not apply where such adviser was engaged by the Applicant, its Member or Associate in the past but its assignment expired or was terminated 6 (Six) months prior to the issue of this RFQ. Nor will this disqualification apply where such adviser is engaged

after a period of 3 (three) years from the date of commercial operation of the Project.

*Explanation:* In case an Applicant is a Consortium, then the term Applicant as used in this Clause 2.2.1, shall include each Member of such Consortium.

2.2.2 To be eligible for pre-qualification and short-listing, an Applicant shall fulfil the following conditions of eligibility:

(A) **Technical Capacity:** For demonstrating technical capacity and experience (the “**Technical Capacity**”), the Applicant, over the past 5 (five) financial years preceding the Application Due Date, have:

- i. paid for, or received payments for, construction, and/or operation of Eligible Project(s); and/ or
- ii. paid for development of Eligible Project(s) in Category 1 and/or Category 2 specified in Clause 3.2.1; and/ or
- iii. collected and appropriated revenues from Eligible Project(s) in Category 1 and/or Category 2 specified in Clause 3.2.1,

such that the sum total of the above is more than **Rs. 132.24 Crore** (Rupees One Hundred Thirty Two Crore and Thirty Four Lakhs only) (the “**Threshold Technical Capacity**”).

Provided that at least one fourth of the Threshold Technical Capacity shall be from the Eligible Projects in Category 1 and/ or Category 3 specified in Clause 3.2.1

(B) **Financial Capacity:** The Applicant shall have a minimum Net Worth (the “**Financial Capacity**”) of **Rs. 16.53 Crore** (Rupees Sixteen Crore and Fifty Three Lakhs only) at the close of the preceding financial year.

In case of a Consortium, the combined technical capacity and Net Worth of those Members, who shall have an equity share of at least 26% (twenty six per cent) each in the SPV, should satisfy the above conditions of eligibility; provided that each such Member shall, for a period of 1 (one) year from the date of commercial operation of the Project, hold equity share capital not less than: (i) 26% (twenty six per cent) of the subscribed and paid up equity of the SPV; and (ii) 5% (five per cent) of the Total Project Cost specified in the Concession Agreement.

2.2.3 **O&M Experience:** The Applicant shall, in the case of a Consortium, include a Member who shall subscribe and continue to hold at least 10% (ten per cent) of the subscribed and paid up equity of the SPV for a period of 5 (five) years from the date of commercial operation of the Project and has either by itself or through its Associate, experience of 5 (five) years or more in operation and maintenance (O&M) of Category 1 projects specified in Clause 3.2.1, which have an aggregate capital cost equal to the Estimated Project Cost. In case the Applicant is not a

Consortium, it shall be eligible only if it has equivalent experience of its own or through its Associates. In the event that the Applicant does not have such experience, it should furnish an undertaking as per format at Appendix – X that if selected to undertake the Project, it shall for a period of at least 5 (five) years from the date of commercial operation of the Project, enter into an agreement for entrusting its operation & maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Concession Agreement shall be liable to termination.

2.2.4 The Applicant shall enclose with its Application, to be submitted as per the format at Appendix-I, complete with its Annexes, the following<sup>2</sup> :

- i. Certificate(s) from statutory auditors or the concerned client(s) stating the payments made/ received or works commissioned, as the case may be, during the past 5 (five) years in respect of the projects specified in paragraph 2.2.2 (A) above. In case a particular job/ contract has been jointly executed by the Applicant (as part of a consortium), it should further support its claim for the share in work done for that particular job/ contract by producing a certificate from its statutory auditor or the client; and
- ii. certificate(s) from statutory auditors of the Applicant or its Associates specifying the Net Worth of the Applicant, as at the close of the preceding financial year, and also specifying that the methodology adopted for calculating such Net Worth conforms to the provisions of this Clause 2.2.4 (ii). For the purposes of this RFQ, net worth (the “**Net Worth**”) shall mean the sum of subscribed and paid up equity and reserves from which shall be deducted the sum of revaluation reserves, miscellaneous expenditure not written off and reserves not available for distribution to equity share holders.

2.2.5 The Applicant should submit a Power of Attorney as per the format at Appendix- II, authorising the signatory of the Application to commit the Applicant. In the case of a Consortium, the Members should submit a Power of Attorney in favour of the Lead Member as per format at Appendix-III.

2.2.6 Where the Applicant is a single entity, it may be required to form an appropriate Special Purpose Vehicle, incorporated under the Indian Companies Act, 2013 (the “**SPV**”), to execute the Concession Agreement and implement the Project. In case the Applicant is a Consortium, it shall, in addition to forming an SPV, comply with the following additional requirements:

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<sup>2</sup> In case duly certified audited annual financial statements containing the requisite details are provided, a separate certification by statutory auditors would not be necessary in respect of Clause 2.2.4. In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Applicant or its Associate may provide the certificates required under this RFQ.

- a. Number of members in a consortium shall not exceed 6 (six), but information sought in the Application may be restricted to 4 (four) members in the order of their equity contribution;
- b. subject to the provisions of sub-clause (a) above, the Application should contain the information required for each member of the Consortium;
- c. members of the Consortium shall nominate one member as the lead member (the “**Lead Member**”), who shall have an equity share holding of at least 26% (twenty six per cent) of the paid up and subscribed equity of the SPV. The nomination(s) shall be supported by a Power of Attorney, as per the format at Appendix-III, signed by all the other members of the Consortium;
- d. the Application should include a brief description of the roles and responsibilities of individual members, particularly with reference to financial, technical and O&M obligations;
- e. an individual Applicant cannot at the same time be member of a Consortium applying for pre-qualification. Further, a member of a particular Applicant Consortium cannot be member of any other Applicant Consortium applying for pre-qualification;
- f. the members of a Consortium shall form an appropriate SPV to execute the Project, if awarded to the Consortium;
- g. members of the Consortium shall enter into a binding Joint Bidding Agreement, substantially in the form specified at Appendix-IV (the “**Jt. Bidding Agreement**”), for the purpose of making the Application and submitting a Bid in the event of being short-listed. The Jt. Bidding Agreement, to be submitted along with the Application, shall, *inter alia*:
  - i. convey the intent to form an SPV with shareholding/ ownership equity commitment(s) in accordance with this RFQ, which would enter into the Concession Agreement and subsequently perform all the obligations of the Concessionaire in terms of the Concession Agreement, in case the concession to undertake the Project is awarded to the Consortium;
  - ii. clearly outline the proposed roles and responsibilities, if any, of each member;
  - iii. commit the minimum equity stake to be held by each member;
  - iv. commit that each of the members, whose experience will be evaluated for the purposes of this RFQ, shall subscribe to 26% (twenty six per cent) or more of the paid up and subscribed equity of the SPV and shall further commit that each such member shall, for a period of 1 (one) year from the date of commercial operation of the Project, hold equity share capital not less than: (i) 26% (twenty six per cent) of the subscribed and paid up equity share capital of the

SPV; and (ii) 5% (five per cent) of the Total Project Cost specified in the Concession Agreement;

v. members of the Consortium undertake that they shall collectively hold at least 51% (fifty one per cent) of the subscribed and paid up equity of the SPV at all times until the first anniversary of the commercial operation date of the Project; and

vi. include a statement to the effect that all members of the Consortium shall be liable jointly and severally for all obligations of the Concessionaire in relation to the Project until the Financial Close of the Project is achieved in accordance with the Concession Agreement; and

h. except as provided under this RFQ and the Bidding Documents, there shall not be any amendment to the Jt. Bidding Agreement without the prior written consent of the Authority.

2.2.7 Any entity which has been barred by the Central/ State Government, or any entity controlled by it, from participating in any project (BOT or otherwise), and the bar subsists as on the date of Application, would not be eligible to submit an Application, either individually or as member of a Consortium.

2.2.8 An Applicant including any Consortium Member or Associate should, in the last 3 (three) years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Applicant, Consortium Member or Associate, as the case may be, nor has been expelled from any project or contract by any public entity nor have had any contract terminated by any public entity for breach by such Applicant, Consortium Member or Associate. Provided, however, that where an Applicant claims that its disqualification arising on account of any cause or event specified in this Clause 2.2.8 is such that it does not reflect (a) any malfeasance on its part in relation to such cause or event; (b) any wilful default or patent breach of the material terms of the relevant contract; (c) any fraud, deceit or misrepresentation in relation to such contract; or (d) any rescinding or abandoning of such contract, it may make a representation to this effect to the Authority for seeking a waiver from the disqualification hereunder and the Authority may, in its sole discretion and for reasons to be recorded in writing, grant such waiver if it is satisfied with the grounds of such representation and is further satisfied that such waiver is not in any manner likely to cause a material adverse impact on the Bidding Process or on the implementation of the Project.

2.2.9 In computing the Technical Capacity and Net Worth of the Applicant/ Consortium Members under Clauses 2.2.2, 2.2.4 and 3.2, the Technical Capacity and Net Worth of their respective Associates would also be eligible hereunder.

For purposes of this RFQ, Associate means, in relation to the Applicant/ Consortium Member, a person who controls, is controlled by, or is under the common control with such Applicant/ Consortium Member (the “**Associate**”). As



used in this definition, the expression “**control**” means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law.

2.2.10 The following conditions shall be adhered to while submitting an Application:

- (a) Applicants should attach clearly marked and referenced continuation sheets in the event that the space provided in the prescribed forms in the Annexes is insufficient. Alternatively, Applicants may format the prescribed forms making due provision for incorporation of the requested information;
- (b) information supplied by an Applicant (or other constituent Member if the Applicant is a Consortium) must apply to the Applicant, Member or Associate named in the Application and not, unless specifically requested, to other associated companies or firms. Invitation to submit Bids will be issued only to Applicants whose identity and/ or constitution is identical to that at pre-qualification;
- (c) in responding to the pre-qualification submissions, Applicants should demonstrate their capabilities in accordance with Clause 3.1 below; and
- (d) in case the Applicant is a Consortium, each Member should substantially satisfy the pre-qualification requirements to the extent specified herein.

2.2.11 While Qualification is open to persons from any country, the following provisions shall apply:

- I. Any Bidder from a country which shares a land border with India will be eligible to bid, only if the Bidder is registered with the Competent Authority, specified in Annexure-I of Order (Public Procurement No. 1) issued by Ministry of Finance, Department of Expenditure Public Procurement Division vide F. No. 6/18/2019-PPD, dated 23<sup>rd</sup> July 2020, which shall form an integral part of RFP and DCA (Copy enclosed).
- II. “**Bidder**” (including the terms ‘tendered’, ‘consultant’ or ‘service provider’ in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. “**Bidder from a country which shares a land border with India**” means:
  - a) An entity incorporated, established or registered in such a country, or
  - b) A subsidiary of an entity incorporated, established or registered in such a country; or
  - c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
  - d) An entity whose beneficial owner is situated in such a country; or

- e) An Indian (or other) agent of such an entity; or
- f) A natural person who is a citizen of such a country; or
- g) A Consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

**IV. Beneficial owner for the purpose of (III) above means:**

1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more judicial person, has a controlling ownership interest or who exercises control through other means.

**Explanation:**

- a) “Controlling ownership interest” means ownership of or entitlement to more than twenty-five per cent of shares or capital or profits of the company.
  - b) “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholding agreements or voting agreements;
2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or one or more juridical person: has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
  3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individual;
  4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
  5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

- VI. The selected Bidder/ Concessionaire shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. The definition of “contractor from a country which shares a land border with India” shall be as in Clause III above.

**Certificate regarding Compliance:**

A certificate shall be required to be submitted by the bidders in the format prescribed at Appendix-VII.

It may be noted that in case the above certification is found to be false, this would be a ground for immediate rejection of Bid/termination and further legal action in accordance with law.

**Validity of Registration:**

- a) In respect of RFP, registration should be valid at the time of submission of bids and at the time of acceptance of bids. If the Bidder was validly registered at the time of acceptance, registration shall not be a relevant consideration during contract execution.
- b) the Qualification of such applicant or in case of any subsequent change in its shareholding or the shareholding in the consortium members, shall be subject to approval of the Authority from national security and public interest perspective. The decision of the authority in this behalf shall be final and conclusive and binding on the Applicant. Subsequent change shall include change in the holding or acquisition of equity or control, which shall include direct or indirect holding/acquisition, Including by transfer, of the direct or indirect legal or beneficial ownership or control, by persons acting for themselves or in concert and in determining such holding or acquisition, the Authority shall be guided by the principles, precedents and definitions contained in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, or any substitute thereof, as in force on the date of such acquisition.

The Applicant shall promptly inform the Authority of any change in its shareholding, as above, and failure to do so shall render the Applicant liable for disqualification from the Bidding Process.

- 2.2.12 Notwithstanding anything to the contrary contained herein, in the event that the Application Due Date falls within 3 (three) months of the closing of the latest financial year of an Applicant, it shall ignore such financial year for the purposes of its Application and furnish all its information and certification with reference to the 5 (five) years or 1 (one) year, as the case may be, preceding its latest financial year. For the avoidance of doubt, financial year shall, for the purposes of an Application hereunder, mean the accounting year followed by the Applicant in the course of its normal business.

**2.3 Change in composition of the Consortium**

- 2.3.1 Change in the composition of a Consortium will not be permitted by the Authority during the Qualification Stage.

2.3.2 Where the Bidder is a Consortium, change in the composition of a Consortium may be permitted by the Authority during the Bid Stage, only where:

- a) the application for such change is made no later than 15 (fifteen) days prior to the Bid Due Date;
- b) the Lead Member continues to be the Lead Member of the Consortium;
- c) the substitute is at least equal, in terms of Technical Capacity, to the Consortium Member who is sought to be substituted and the modified Consortium shall continue to meet the pre-qualification and short-listing criteria for Applicants; and
- d) the new Member(s) expressly adopt(s) the Application already made on behalf of the Consortium as if it were a party to it originally, and is not an Applicant/Member/Associate of any other Consortium bidding for this Project.

2.3.3 Approval for change in the composition of a Consortium shall be at the sole discretion of the Authority and must be approved by the Authority in writing.

2.3.4 The modified/ reconstituted Consortium shall submit a revised Jt. Bidding Agreement before the Bid Due Date.

2.3.5 Notwithstanding anything to the contrary contained in sub-clause (c) (i) of Clause 2.2.1, an Applicant may, within 10 (ten) days after the Application Due Date, remove from its Consortium any Member who suffers from a Conflict of Interest, and such removal shall be deemed to cure the Conflict of Interest arising in respect thereof.

## **2.4 Number of Applications and costs thereof**

2.4.1 No Applicant shall submit more than one Application for the Project. An applicant applying individually or as a member of a Consortium shall not be entitled to submit another Application either individually or as a member of any Consortium, as the case may be.

2.4.2 The Applicants shall be responsible for all of the costs associated with the preparation of their Applications and their participation in the Bidding Process. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

## **2.5 Site visit and verification of information**

As the Authority simultaneously calls for participation of the Bidders towards the second stage of the Bidding Process (the "**Bid Stage**") comprising Request for Proposals along with the first stage (the "**Qualification Stage**"), Applicants are encouraged to submit their respective Applications after visiting the Project site and ascertaining for themselves the site conditions, traffic, location, surroundings, climate, availability of power, water and other utilities for construction, access to site, handling and storage of materials, weather data, applicable laws and regulations, and any other matter considered relevant by them.

## **2.6 Acknowledgement by Applicant**

2.6.1 It shall be deemed that by submitting the Application, the Applicant has:

- a) made a complete and careful examination of the RFQ;
- b) received all relevant information requested from the Authority;
- c) accepted the risk of inadequacy, error or mistake in the information provided in the RFQ or furnished by or on behalf of the Authority relating to any of the matters referred to in Clause 2.5 above; and
- d) agreed to be bound by the undertakings provided by it under and in terms hereof.

2.6.2 The Authority shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the RFQ or the Bidding Process, including any error or mistake therein or in any information or data given by the Authority.

## **2.7 Right to accept or reject any or all Applications/ Bids**

2.7.1 Notwithstanding anything contained in this RFQ, the Authority reserves the right to accept or reject any Application and to annul the Bidding Process and reject all Applications/ Bids, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor. In the event that the Authority rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.

2.7.2 The Authority reserves the right to reject any Application and/ or Bid if:

- (a) at any time, a material misrepresentation is made or uncovered, or
- (b) the Applicant does not provide, within the time specified by the Authority, the supplemental information sought by the Authority for evaluation of the Application.

If the Applicant/Bidder is a Consortium, then the entire Consortium may be disqualified/ rejected. If such disqualification/ rejection occurs after the Bids have been opened and the Highest Bidder gets disqualified/ rejected, then the Authority reserves the right to:

- i. invite the remaining Bidders to match the Highest Bidder/ submit their Bids in accordance with the RFP; or
  - ii. take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process
- 2.7.3 In case it is found during the evaluation or at any time before signing of the Concession Agreement or after its execution and during the period of subsistence thereof, including the concession thereby granted by the Authority, that one or more of the pre-qualification conditions have not been met by the Applicant, or the Applicant has made material misrepresentation or has given any materially incorrect or false information, the Applicant shall be disqualified forthwith if not yet appointed as the Concessionaire either by issue of the LOA or entering into of the Concession Agreement, and if the Applicant/SPV has already been issued the LOA or has entered into the Concession Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFQ, be liable to be terminated, by a communication in writing by the Authority to the Applicant, without the Authority being liable in any manner whatsoever to the Applicant and without prejudice to any other right or remedy which the Authority may have under this RFQ, the Bidding Documents, the Concession Agreement or under applicable law.
- 2.7.4 The Authority reserves the right to verify all statements, information and documents submitted by the Applicant in response to the RFQ. Any such verification or lack of such verification by the Authority shall not relieve the Applicant of its obligations or liabilities hereunder nor will it affect any rights of the Authority thereunder.

## **B. DOCUMENTS**

### **2.8 Contents of the RFQ**

This RFQ comprises the disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.10.

#### **Invitation for Qualification**

Section 1.	Introduction
Section 2.	Instructions to Applicants
Section 3.	Criteria for Evaluation
Section 4.	Fraud & Corrupt Practices
Section 5.	Pre Application Conference
Section 6.	Miscellaneous

#### **Appendices**

#### **APPENDIX I: Letter Comprising the Application for Pre-Qualification ANNEX-I: Particulars of Applicant**

ANNEX-II: Technical Capacity of the Applicant  
ANNEX-III: Financial Capacity of the Applicant  
ANNEX-IV: Details of Eligible Projects  
ANNEX-V: Statement of Legal Capacity  
**APPENDIX II: Power of Attorney for signing of Application**  
**APPENDIX III: Power of Attorney for Lead Member of Consortium**  
**APPENDIX IV: Joint Bidding Agreement**  
**APPENDIX V: Guidelines of the Department of Disinvestment**  
**APPENDIX VI: Performa for Security Clearance**  
**APPENDIX VII: Performa of Pre-Integrity Pact**  
**APPENDIX VIII: Policy for preventing private sector monopoly in Major Ports**  
**APPENDIX IX: Certificate regarding Compliance with Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs)**  
**APPENDIX X: Undertaking for Operation & Maintenance (O&M) Experience**  
**Annexure A: Project Information Memorandum**

## **2.9 Clarifications**

- 2.9.1** Applicants requiring any clarification on the RFQ may notify the Authority in writing by speed post/ courier/ special messenger and by e-mail in accordance with Clause 1.2.11. They should send in their queries before the date specified in the schedule of Bidding Process contained in Clause 1.3. The Authority shall endeavour to respond to the queries within the period specified therein, but no later than 10 (ten) days prior to the Application Due Date. The Authority will upload all the queries and its responses thereto in the CPP e-tender Portal, <https://etenders.gov.in> and may also sent to those Applicants who have send their request for queries / clarification through e-Mail without identifying the source of queries.
- 2.9.2** The Authority shall endeavour to respond to the questions raised or clarifications sought by the Applicants. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.
- 2.9.3** The Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Applicants. All clarifications and interpretations issued by the Authority shall be deemed to be part of the RFQ. Verbal clarifications and information given by Authority or its employees or representatives shall not in any way or manner be binding on the Authority.

## **2.10 Amendment of RFQ**

- 2.10.1** At any time prior to the deadline for submission of Application, the Authority may, for any reason, whether at its own initiative or in response to clarifications requested by an Applicant, modify the RFQ by the issuance of Addenda.

- 2.10.2 Any Addendum thus issued will be uploaded in the CPP e-tender Portal, <https://etenders.gov.in> and may also sent through e-mail to all those who have send their request for queries / clarification.
- 2.10.3 In order to afford the Applicants a reasonable time for taking an Addendum into account, or for any other reason, the Authority may, in its sole discretion, extend the Application Due Date.



## **C. PREPARATION AND SUBMISSION OF APPLICATION**

### **2.11 Language**

The Application and all related correspondence and documents in relation to the Bidding Process shall be in English language. Supporting documents and printed literature furnished by the Applicant with the Application may be in any other language provided that they are accompanied by translations of all the pertinent passages in the English language, duly authenticated and certified by the Applicant. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Application, the English language translation shall prevail.

### **2.12 Format and signing of Application**

- 2.12.1 The Applicant shall provide all the information sought under this RFQ. The Authority will evaluate only those Applications that are received in the required formats and complete in all respects. Incomplete and /or conditional Applications shall be liable to rejection.
- 2.12.2 The Applicant shall prepare 1 (one) original set of the Application (together with the documents required to be submitted pursuant to this RFQ) and clearly marked as “ORIGINAL”. In addition, the Applicant shall submit 1 (one) copy of such Application and documents, which shall be marked as “COPY”. The Applicant shall also provide 2 (two) soft copies thereof in a Pen Drive. In the event of any discrepancy between the original and the copy, the original shall prevail.
- 2.12.3 The Application and its copy shall be typed or written in indelible ink. It shall be signed by the authorised signatory of the Applicant who shall also initial each page of the Application (including each Appendix and Annex) in blue ink. In case of printed and published documents, only the cover shall be initialled. All the alterations, omissions, additions or any other amendments made to the Application shall be initialled by the person(s) signing the Application. The Application shall contain page numbers and shall be bound together in hard cover that does not allow replacement of any page.

### **2.13 Sealing and Marking of Applications**

- 2.13.1 The Applicant shall submit the Application in the format specified at Appendix-I, together with the documents specified in Clause 2.13.2, through online in CPP e-tender Portal, <https://etenders.gov.in> and shall submit the hard copy duly seal it in an envelope and mark the envelope as “APPLICATION”. The Applicant shall seal the original and the copy of the Application, together with their respective enclosures, in separate envelopes duly marking the envelopes as “ORIGINAL” and “COPY”. The envelopes shall then be sealed in an outer envelope which shall also be marked in accordance with Clauses 2.13.2 and 2.13.3.

**Note: As mentioned in this Clause 2.13, the completed Application in the required format containing all information requested should be submitted through online in CPP e-tender Portal, <https://etenders.gov.in> mandatorily and also the hard copies of the Applications should be submitted at the office of the VPA as mentioned in the RFQ document. In case, Application is not submitted online, such Application will be treated as non-responsive and shall be summarily rejected.**

**Further, the Financial Offer i.e RFP Bid shall ONLY be submitted ONLINE. Any Financial Offer submitted along with RFQ Application or in physical form shall be rejected by the Authority.**

2.13.2 Each envelope shall contain:

- i. Application in the prescribed format (Appendix-I) along with Annexes and supporting documents;
- ii. Power of Attorney for signing the Application as per the format at Appendix-II;
- iii. if applicable, the Power of Attorney for Lead Member of Consortium as per the format at Appendix-III;
- iv. copy of the Jt. Bidding Agreement, in case of a Consortium, substantially in the format at Appendix-IV;
- v. copy of Memorandum and Articles of Association, if the Applicant is a body corporate, and if a partnership then a copy of its partnership deed;
- vi. copies of Applicant's duly audited balance sheet and profit and loss account for the preceding five years; and
- vii. Revised formats for seeking Security Clearance for Bidders to be provided in line with Ministry of Shipping letter vide F.No. PD-24018/2/2018-SCC dated 24/08/2018 at Appendix-VI;
- viii. The Integrity Pact (IP) (Appendix-VII) duly signed by Authorised signatory shall be submitted by the Bidder with the RFQ Bid & shall be part of the Contract Agreement
- ix. Certificate regarding Compliance with Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs) as per format given in Appendix-IX shall be submitted by the Bidder with the RFP Bid duly signed by Authorised signatory & shall be part of the Concession Agreement, and
- x. Copy of Registration from the Competent Authority as defined in Public Procurement Order No. F. No. 6/18/2019-PPD dated 23rd July 2020, if applicable (to be submitted by the "Bidder from a country which shares a land border with India"),
- xi. if applicable, Undertaking for Operation & Maintenance (O&M) Experience as per format given in Appendix-X;

- xii. 2 (two) soft copies of the Application in a Pen Drive;
- xiii. any other sector or project-specific requirement that may be specified by the Authority.

Each of the envelopes “ORIGINAL” and “COPY” shall clearly bear the following identification:

**“Application for Qualification: “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”** and shall clearly indicate the name and address of the Applicant. In addition, the Application Due Date should be indicated on the right hand corner of each of the envelopes.

Each of the envelopes “ORIGINAL” and “COPY” shall then be sealed together in an outer envelope which shall be marked as in accordance with Clauses 2.13.2 and 2.13.3 and further clearly bear the following identification:

**“COVER / ENVELOPE-1 – “Application for Qualification”: “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”**

The **COVER / ENVELOPE-1 - Application for Qualification along with COVER / ENVELOPE-2 - Enclosures of the RFP Bid** shall then be sealed together in an outer envelope which shall clearly bear the following identification:

**Submission of RFQ & RFP for “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”** and shall clearly indicate the name and address of the Applicant. In addition, the Application Due Date should be indicated on the right hand corner of the envelope.

2.13.3 Each of the envelopes shall be addressed to:

ATTN. OF: Mr A.Venu Prasad  
DESIGNATION: Chief Engineer, Civil Engineering Department,  
ADDRESS: Administrative Office Building, 3rd floor,  
Visakhapatnam Port Authority, Visakhapatnam - 530035  
TELEPHONE NO: 0891-2873353  
E-MAIL ADDRESS: [cevizagport@gmail.com](mailto:cevizagport@gmail.com)/ce.avp.vpt@gov.in

2.13.4 If the envelopes are not sealed and marked as instructed above, the Authority assumes no responsibility for the misplacement or premature opening of the contents of the Application and consequent losses, if any, suffered by the Applicant.

- 2.13.5 Applications submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.

**Note:** As mentioned in Clause 2.13 above, the completed Application in the required format containing all information requested should be submitted through online in CPP e-tender Portal, <https://etenders.gov.in> mandatorily and also the hard copies of the Applications should be submitted at the office of the VPA as mentioned in the RFQ document. In case, Application is not submitted online, such Application will be treated as non-responsive and shall be summarily rejected.

**Further, the Financial Offer i.e RFP Bid shall ONLY be submitted ONLINE. Any Financial Offer submitted along with RFQ Application or in physical form shall be rejected by the Authority.**

## **2.14 Application Due Date**

- 2.14.1 Applications should be submitted before 1500 hours IST on the Application Due Date through CPP e-tenders Portal, <https://etenders.gov.in> and also submit the hard copy at the address provided in Clause 2.13.3 in the manner and form as detailed in this RFQ. A receipt thereof should be obtained from the person specified in Clause 2.13.3.
- 2.14.2 The Authority may, in its sole discretion, extend the Application Due Date by issuing an Addendum in accordance with Clause 2.10 uniformly for all Applicants.

## **2.15 Late Applications**

Applications received by the Authority after the specified time on the Application Due Date shall not be eligible for consideration and shall be summarily rejected.

## **2.16 Modifications/ substitution/ withdrawal of Applications**

- 2.16.1 The Applicant may modify, substitute or withdraw its Application after submission, provided that written notice of the modification, substitution or withdrawal is received by the Authority prior to the Application Due Date. No Application shall be modified, substituted or withdrawn by the Applicant on or after the Application Due Date.
- 2.16.2 The modification, substitution or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 2.13, with the envelopes being additionally marked “MODIFICATION”, “SUBSTITUTION” or “WITHDRAWAL”, as appropriate.
- 2.16.3 Any alteration/ modification in the Application or additional information supplied subsequent to the Application Due Date, unless the same has been expressly sought for by the Authority, shall be disregarded.

## **D. EVALUATION PROCESS**

### **2.17 Opening and Evaluation of Applications**

- 2.17.1 The Authority shall only open the Applications at 1530 hours IST on 26/06/2023 at the place specified in Clause 2.13.3 and in the presence of the Applicants who choose to attend.
- 2.17.2 Applications for which a notice of withdrawal has been submitted in accordance with Clause 2.16 shall not be opened.
- 2.17.3 The Authority will subsequently examine and evaluate Applications in accordance with the provisions set out in Section 3.
- 2.17.4 Applicants are advised that pre-qualification of Applicants will be entirely at the discretion of the Authority. Applicants will be deemed to have understood and agreed that no explanation or justification on any aspect of the Bidding Process or selection will be given.
- 2.17.5 Any information contained in the Application shall not in any way be construed as binding on the Authority, its agents, successors or assigns, but shall be binding against the Applicant if the Project is subsequently awarded to it on the basis of such information.
- 2.17.6 The Authority reserves the right not to proceed with the Bidding Process at any time without notice or liability and to reject any or all Application(s) without assigning any reasons.
- 2.17.7 If any information furnished by the Applicant is found to be incomplete, or contained in formats other than those specified herein, the Authority may, in its sole discretion, exclude the relevant project from computation of the Experience Score of the Applicant.
- 2.17.8 In the event that an Applicant claims credit for an Eligible Project, and such claim is determined by the Authority as incorrect or erroneous, the Authority shall reject such claim and exclude the same from consideration. Where any information is found to be patently false or amounting to a material misrepresentation, the Authority reserves the right to reject the Application and/ or Bid in accordance with the provisions of Clauses 2.7.2 and 2.7.3.

### **2.18 Confidentiality**

Information relating to the examination, clarification, evaluation, and recommendation for the short-listed pre-qualified Applicants shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Authority in relation to, or matters arising out of, or concerning the Bidding Process. The Authority will treat all information, submitted as part of Application, in confidence and will require all those who have access to such material to treat the same in confidence. The Authority may not divulge any such information unless it is

directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the Authority or as may be required by law or in connection with any legal process.

## **2.19 Tests of responsiveness**

2.19.1 Prior to evaluation of Applications, the Authority shall determine whether each Application is responsive to the requirements of the RFQ. An Application shall be considered responsive if:

- a) it is received as per format at Appendix-I;
- b) it is received by the Application Due Date including any extension thereof pursuant to Clause 2.14.2;
- c) it is signed, sealed, bound together in hard cover, and marked as stipulated in Clauses 2.12 and 2.13;
- d) it is accompanied by the Power of Attorney as specified in Clause 2.2.5, and in the case of a Consortium, the Power of Attorney as specified in Clause 2.2.6 (c);
- e) it contains all the information and documents (complete in all respects) as requested in this RFQ;
- f) it contains information in formats same as those specified in this RFQ;
- g) it contains certificates from its statutory auditors<sup>3</sup> in the formats specified at Appendix-I of the RFQ for each Eligible Project;
- h) it contains an attested copy of the payment of 47,200/- (Rupees Forty Seven Thousand & Two Hundred only) the Authority towards the cost of the RFQ & RFP documents and process as specified in Clause 1.2.1;
- i) it is accompanied by the Jt. Bidding Agreement (for Consortium), specific to the Project, as stipulated in Clause 2.2.6(g);
- j) it does not contain any condition or qualification; and
- k) it is not non-responsive in terms hereof.

2.19.2 The Authority reserves the right to reject any Application which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such Application. Provided, however, that the Authority may, in its discretion, allow the Applicant to rectify any infirmities or omissions if the same do not constitute a material modification of the Application.

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<sup>3</sup> In case duly certified audited annual financial statements containing the requisite details are provided, a separate certification by statutory auditors would not be necessary in respect of Clause 2.19.1 (g). In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Applicant may provide the certificates required under this RFQ.

## **2.20 Clarifications**

- 2.20.1 To facilitate evaluation of Applications, the Authority may, at its sole discretion, seek clarifications from any Applicant regarding its Application. Such clarification(s) shall be provided within the time specified by the Authority for this purpose. Any request for clarification(s) and all clarification(s) in response thereto shall be in writing.
- 2.20.2 If an Applicant does not provide clarifications sought under Clause 2.20.1 above within the prescribed time, its Application shall be liable to be rejected. In case the Application is not rejected, the Authority may proceed to evaluate the Application by construing the particulars requiring clarification to the best of its understanding, and the Applicant shall be barred from subsequently questioning such interpretation of the Authority.

## **E. QUALIFICATION AND BIDDING**

### **2.21 Pre-qualification and notification<sup>4</sup>**

After the evaluation of Applications, the Authority would announce a list of qualified Applicants (Bidders) who will be eligible for opening and evaluation in the Bid Stage. At the same time, the Authority would notify the other Applicants that they have not been qualified. The Authority will not entertain any query or clarification from Applicants who fail to qualify.

### **2.22 Submission of Bids (RFP)**

The Authority simultaneously calls for participation of the bidders towards the second stage of the Bidding Process (the "**Bid Stage**") comprising Request for Proposals (the "**Request for Proposals**" or "**RFP**").

The Bidders will be requested to submit a Bid in the form and manner to be set out in the Bidding Documents (RFP) along with RFQ.

The Applicants are therefore advised to visit the site and familiarize themselves with the Project by the time of submission of the Application and Bids simultaneously.

### **2.23 Proprietary data**

All documents and other information supplied by the Authority or submitted by an Applicant to the Authority shall remain or become the property of the Authority. Applicants are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Application. The Authority will not return any Application or any information provided along therewith.

### **2.24 Correspondence with the Applicant**

Save and except as provided in this RFQ, the Authority shall not entertain any correspondence with any Applicant in relation to the acceptance or rejection of any Application.

### **2.25 National Security**

The list of pre-qualified and shortlisted bidders shall be subject to clearance from National Security perspective.

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<sup>4</sup> In case of exceptionally complex projects where the Authority is of the opinion that the Bidders must submit their technical proposal/ plan, the requirements thereof shall be specified in detail and such proposal/ plan shall be invited at the Qualification Stage, either along with the initial applications or at an intermediate stage. This shall form part of the pre-qualification process and only the Applicants who have been pre-qualified shall be allowed in the Bid Stage.



## **2.26 Prevention of Private Sector Monopoly in Major Ports**

Ministry of Shipping, Government of India vide its letter No. PD-24018/8/2009-PD.III dated 2nd August, 2010 has issued the policy (see Appendix VII) to be followed by all Major Ports while awarding projects to private parties through Public Private Partnership (PPP) route so as to avoid private sector monopoly in the Major Ports. The aforesaid policy or any other applicable policy shall apply mutatis mutandis to this Bidding Process and the Authority shall be entitled to disqualify any Bidder in accordance with the aforementioned policy.

### 3. CRITERIA FOR EVALUATION

#### 3.1 Evaluation Parameters

- 3.1.1 Only those Applicants who meet the eligibility criteria specified in Clauses 2.2.2 and 2.2.3 shall qualify for evaluation under this Section 3. Applications of firms/ consortia who do not meet these criteria shall be rejected.
- 3.1.2 The Applicant's competence and capability is proposed to be established by the following parameters:
- (a) Technical Capacity; and
  - (b) Financial Capacity.

#### 3.2 Technical Capacity for Purposes of Evaluation

- 3.2.1 Subject to the provisions of Clause 2.2.2 (A), the following categories of experience would qualify as Technical Capacity and eligible experience (the "**Eligible Experience**") in relation to eligible projects as stipulated in Clauses 3.2.3 and 3.2.4 (the "**Eligible Projects**"):

- Category 1:** Project experience on Eligible Projects in Port sector that qualify under Clause 3.2.3
- Category 2:** Project experience on Eligible Projects in core sector that qualify under Clause 3.2.3
- Category 3:** Construction and / or Operation experience on Eligible Projects in Port sector that qualify under Clause 3.2.4
- Category 4:** Construction experience on Eligible Projects in core sector that qualify under Clause 3.2.4

For the purpose of this RFQ:

- i. **Port sector** would be deemed to include Marine structures, On-shore and Off-shore Terminals, Berths, Jetties, Quays, Cargo Handling System/experience, Bulk/Liquid Material Handling System, CFS/ICDs, Storage Tanks/Tank Farms, Conveyors, Pipelines, Warehousing & silos all associated with seaport; and
  - ii. **Core sector** would be deemed to include power, telecom, highways, airports, railways, metro rail, industrial parks/estates, logistic parks, irrigation, water supply, sewerage and real estate development<sup>5</sup>.
- 3.2.2 Eligible Experience in respect of each category shall be measured only for Eligible Projects.

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<sup>5</sup> Real estate development shall not include residential flats unless they form part of a real estate complex or township which has been built by the Applicant

3.2.3 For a project to qualify as an Eligible Project under Categories 1 and 2:

- a) It should have been undertaken as a PPP project on BOT, BOLT, BOO, BOOT or other similar basis for providing its output or services to a public sector entity or for providing non-discriminatory access to users in pursuance of its charter, concession or contract, as the case may be. For the avoidance of doubt, a project which constitutes a natural monopoly such as an airport or port should normally be included in this category even if it is not based on a long-term agreement with a public entity;
- b) the entity claiming experience should have held, in the company owning the Eligible Project, a minimum of 26% (twenty six per cent) equity during the entire year for which Eligible Experience is being claimed;
- c) the capital cost of the project should be more than Rs. 13.22 Crore (Rupees Thirteen Crore and Twenty Two Lakh only) ; and
- d) the entity claiming experience shall, during the last 5 (five) financial years preceding the Application Due Date, have (i) paid for development of the project (excluding the cost of land), and/ or (ii) collected and appropriated the revenues from users availing of non-discriminatory access to or use of fixed project assets, such as revenues from highways, airports, ports and railway infrastructure, but shall not include revenues from sale or provision of goods or services such as electricity, gas, petroleum products, telecommunications or fare/freight revenues and other incomes of the company owning the Project.

3.2.4 For a project to qualify as an Eligible Project under Category 3, the Applicant should have paid for execution of its construction and/or operation works or received payments from its client(s) for construction and/or operation works executed, fully or partially, during the 5 (five) financial years immediately preceding the Application Due Date, and only the payments (gross) actually made or received, as the case may be, during such 5 (five) financial years. For a project to qualify as an Eligible Project under Category 4, the Applicant should have paid for execution of its construction works or received payments from its client(s) for construction works executed, fully or partially, during the 5 (five) financial years immediately preceding the Application Due Date, and only the payments (gross) actually made or received, as the case may be, during such 5 (five) financial years shall qualify for the purpose of computing the experience score. However, payments/receipts of less than Rs. 13.22 Crore (Rupees Thirteen Crore and Twenty Two Lakh only) shall not be reckoned as payments/receipts for Eligible Projects. For the avoidance of doubt, construction works shall not include supply of goods or equipment except when such goods or equipment form part of a turn-key construction contract/ EPC contract for the project. Further, the cost of land shall not be included hereunder.

3.2.5 The Applicant shall quote experience in respect of a particular Eligible Project under any one category only, even though the Applicant (either individually or along with a member of the Consortium) may have played multiple roles in the cited project. Double counting for a particular Eligible Project shall not be permitted in any form.

- 3.2.6 Subject to the provisions of Clause 3.2.7, an Applicant's experience shall be measured and stated in terms of a score (the "**Experience Score**"). The Experience Score for an Eligible Project in a given category would be the eligible payments and/or receipts specified in Clause 2.2.2 (A), divided by one crore and then multiplied by the applicable factor in Table 3.2.6 below. In case the Applicant has experience across different categories, the score for each category would be computed as above and then aggregated to arrive at its Experience Score.

**Table 3.2.6: Factors for Experience across Categories**

<b>Categories</b>	<b>Factor</b>
Category 1	1.25
Category 2	1.00
Category 3	0.75
Category 4	0.50

- 3.2.7 The Experience Score determined in accordance with Clause 3.2.6 in respect of an Eligible Project situated in a developed country which is a member of OECD shall be further multiplied by a factor of 0.5 (zero point five) and the product thereof shall be the Experience Score for such Eligible Project.
- 3.2.8 Experience for any activity relating to an Eligible Project shall not be claimed by two or more Members of the Consortium. In other words, no double counting by a Consortium in respect of the same experience shall be permitted in any manner whatsoever.

### **3.3 Details of Experience**

- 3.3.1 The Applicant should furnish the details of Eligible Experience for the last 5 (five) financial years immediately preceding the Application Due Date.
- 3.3.2 The Applicants must provide the necessary information relating to Technical Capacity as per format at Annex-II of Appendix-I.
- 3.3.3 The Applicant should furnish the required Project-specific information and evidence in support of its claim of Technical Capacity, as per format at Annex-IV of Appendix-I.

### **3.4 Financial Information for Purposes of Evaluation**

- 3.4.1 The Application must be accompanied by the Audited Annual Reports of the Applicant (of each Member in case of a Consortium) for the last 5 (five) financial years, preceding the year in which the Application is made.
- 3.4.2 In case the annual accounts for the latest financial year are not audited and therefore the Applicant cannot make it available, the Applicant shall give an undertaking to this effect and the statutory auditor shall certify the same. In such a case,

the Applicant shall provide the Audited Annual Reports for 5 (five) years preceding the year for which the Audited Annual Report is not being provided.

- 3.4.3 The Applicant must establish the minimum Net Worth specified in Clause 2.2.2 (B), and provide details as per format at Annex-III of Appendix-I.

### **3.5 Pre-Qualification of Applicants**

- 3.5.1 The credentials of eligible Applicants shall be measured in terms of their Experience Score. The sum total of the Experience Scores for all Eligible Projects shall be the 'Aggregate Experience Score' of a particular Applicant. In case of a Consortium, the Aggregate Experience Score of each of its Members, who have an equity share of at least 26% in such Consortium, shall be summed up for arriving at the combined Aggregate Experience Score of the Consortium.
- 3.5.2 The Applicants shall be pre-qualified depending on their respective aggregate experience scores for submission of bids. RFP documents of only those pre-qualified Bidders will be opened after they are cleared from the security angle.

## 4. FRAUD AND CORRUPT PRACTICES

- 4.1. The Applicants and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process. Notwithstanding anything to the contrary contained herein, the Authority may reject an Application without being liable in any manner whatsoever to the Applicant if it determines that the Applicant has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process.
- 4.2 Without prejudice to the rights of the Authority under Clause 4.1 hereinabove, if an Applicant is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, such Applicant shall not be eligible to participate in any tender or RFQ issued by the Authority during a period of 2 (two) years from the date such Applicant is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.
- 4.3 For the purposes of this Clause 4, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) **“corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to, or employing, or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly, with the Bidding Process or the LOA or has dealt with matters concerning the Concession Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) save and except as permitted under sub clause (d) of Clause 2.2.1, engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Concession Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Concession Agreement, who at any time has been or is a legal, financial or technical adviser of the Authority in relation to any matter concerning the Project;
  - (b) **“fraudulent practice”** means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;
  - (c) **“coercive practice”** means impairing or harming or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;

- (d) **“undesirable practice”** means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- (e) **“restrictive practice”** means forming a cartel or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

## **5. PRE-APPLICATION CONFERENCE**

- 5.1 A Pre-Application Conference of the interested parties shall be convened at the designated date, time and place as specified in Clause 1.4. A maximum of three representatives of each Applicant shall be allowed to participate on production of authority letter from the Applicant.
- 5.2 During the course of Pre-Application Conference, the Applicants will be free to seek clarifications and make suggestions for consideration of the Authority. The Authority shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.



## 6. MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the courts in the State in which the Authority has its headquarters shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) suspend and/or cancel the Bidding Process and/or amend and/or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
  - (b) consult with any Applicant in order to receive clarification or further information;
  - (c) pre-qualify or not to pre-qualify any Applicant and/ or to consult with any Applicant in order to receive clarification or further information;
  - (d) retain any information and/ or evidence submitted to the Authority by, on behalf of, and/ or in relation to any Applicant; and/ or
  - (e) independently verify, disqualify, reject and/or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Applicant.
- 6.3 It shall be deemed that by submitting the Application, the Applicant agrees and releases the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder and the Bidding Documents, pursuant hereto, and/ or in connection with the Bidding Process, to the fullest extent permitted by applicable law, and waives any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.

## **Appendices**

**APPENDIX-I**  
**Letter Comprising the Application for Pre-Qualification**  
*(Refer Clause 2.13.2)*

To,

.....  
.....

Dated:

**Sub: Application for Pre-qualification for “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”**

Dear Sir,

1. With reference to your RFQ document dated ....., I/we, having examined the RFQ document and understood its contents, hereby submit my/our Application for Qualification for the aforesaid project. The Application is unconditional and unqualified.
2. I/ We acknowledge that the Authority will be relying on the information provided in the Application and the documents accompanying such Application for pre- qualification of the Applicants for the aforesaid project, and we certify that all information provided in the Application and in Annexes I to V is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying such Application are true copies of their respective originals.
3. This statement is made for the express purpose of qualifying as a Bidder for the development, construction, operation and maintenance of the aforesaid Project.
4. I/We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Qualification statement.
5. I/We acknowledge the right of the Authority to reject our Application without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
6. I/We certify that in the last three years, we/ any of the Consortium Members or our/ their Associates have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.
7. I/We declare that:
  - (a) I/ We have examined and have no reservations to the RFQ document, including any Addendum issued by the Authority;

- (b) I/ We do not have any conflict of interest in accordance with Clauses 2.2.1(c) and 2.2.1(d) of the RFQ document;
  - (c) I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFQ document, in respect of any tender or request for proposal issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
  - (d) I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 4 of the RFQ document, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
8. I/We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Application that you may receive nor to invite the Applicants to Bid for the Project, without incurring any liability to the Applicants, in accordance with Clause 2.17.6 of the RFQ document.
9. I/We believe that we/ our Consortium/ proposed Consortium satisfy(s) the Net Worth criteria and meet(s) all the requirements as specified in the RFQ document and am/ are qualified to submit a Bid.
10. I/We declare that we/ any Member of the Consortium, or our/ its Associates are not a Member of a/ any other Consortium applying for pre-qualification.
11. I/We certify that in regard to matters other than security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been convicted by a court or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
12. I/We further certify that in regard to matters relating to security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.
13. I/ We further certify that no investigation by a regulatory authority is pending either against us/ any Member of the Consortium or against our/ their Associates or against our CEO or any of our directors/ managers/ employees.<sup>6</sup>

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<sup>6</sup> In case the Applicant is unable to provide the certification specified in paragraph 13, it may precede the paragraph by the words viz. "Except as specified in Schedule ..... hereto". The exceptions to the certification or any disclosures relating thereto may be clearly stated in a Schedule to be attached to the Application. The Authority will consider the contents of such Schedule and determine whether or not the exceptions/disclosures are material to the suitability of the Applicant for pre-qualification hereunder.

14. I/ We further certify that we are qualified to submit a Bid in accordance with the guidelines for qualification of bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment issued by the GOI vide Department of Disinvestment OM No. 6/4/2001-DD-II dated 13<sup>th</sup> July, 2001 which guidelines apply *mutatis mutandis* to the Bidding Process. A copy of the aforesaid guidelines form part of the RFQ at Appendix-V thereof.
15. I/We further certify that we/ any Member of the Consortium or any of our/ their Associates are not barred by the Central Government/ State Government or any entity controlled by it, from participating in any project (BOT or otherwise), and no bar subsists as on the date of Application.
16. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the provisions of this RFQ, we shall intimate the Authority of the same immediately.
17. The Statement of Legal Capacity as per format provided at Annex-V in Appendix-I of the RFQ document, and duly signed, is enclosed. The power of attorney for signing of Application and the power of attorney for Lead Member of consortium, as per format provided at Appendix II and III respectively of the RFQ, are also enclosed.
18. I/ We understand that the selected Bidder shall either be an existing Company incorporated under the Indian Companies Act, 1956/2013, or shall incorporate as such prior to execution of the Concession Agreement.
19. I/ We hereby confirm that we shall comply with the O&M requirements specified in Clause 2.2.3.
20. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of Applicants, selection of the Bidder, or in connection with the selection/ Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
21. I/ We agree and undertake to abide by all the terms and conditions of the RFQ document.
22. I/ We certify that in terms of the RFQ, my/our Net Worth is Rs.. ..... (Rupees ..... ) and the Aggregate Experience Score is ..... (in figures) ..... (in words).
23. We agree and undertake to be jointly and severally liable for all the obligations of the Concessionaire under the Concession Agreement till occurrence of Financial Close in accordance with the Concession Agreement.<sup>7</sup>

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<sup>7</sup> This Paragraph 23 shall be omitted if the Applicant is not a Consortium.

In witness thereof, I/ we submit this Application under and in accordance with the terms of the RFQ document.

Yours faithfully,

Date: (Signature, name and designation of the Authorised Signatory  
Place: Name and seal of the Applicant/ Lead Member

ANNEX-I  
Particulars of the Applicant

1. (a) Name:  
(b) Country of incorporation:  
(c) Address of the corporate headquarters and its branch office(s), if any, in India:  
(d) Date of incorporation and/ or commencement of business
2. Brief description of the Company including details of its main lines of business and proposed role and responsibilities in this Project:
3. Particulars of individual(s) who will serve as the point of contact/ communication for the Applicant:
  - (a) Name:
  - (b) Designation:
  - (c) Company:
  - (d) Address:
  - (e) Phone Number:
  - (f) E-Mail Address:
4. Particulars of the Authorised Signatory of the Applicant:
  - (a) Name:
  - (b) Designation:
  - (c) Address:
  - (d) Phone Number:
5. In case of a Consortium:
  - (a) The information above (1-4) should be provided for all the Members of the Consortium.
  - (b) A copy of the Jt. Bidding Agreement, as envisaged in Clause 2.2.6(g) should be attached to the Application.
  - (c) Information regarding the role of each Member should be provided as per table below:

Sl. No.	Name of Member	Role <sup>\$</sup>	Percentage of equity in the Consortium <sup>\$\$</sup>
1.			
2.			
3.			
4.			

<sup>\$</sup> The role of each Member, as may be determined by the Applicant, should be indicated in accordance with Clause 2.2.6 (d) and instruction 4 at Annex-IV.

<sup>\$\$</sup>The percentage of equity should be in accordance with Clause 2.2.6 (a), (c) and (g).

6. The following information shall also be provided for the Applicant, including each Member of the Consortium:

**Name of Applicant/ member of Consortium:**

No.	Criteria	Yes	No
1.	Has the Applicant/ constituent of the Consortium been barred by the Central/ State Government, or any entity controlled by it, from participating in any project (BOT or otherwise)?		
2.	If the answer to 1 is yes, does the bar subsist as on the date of Application?		
3.	Has the Applicant/ constituent of the Consortium paid liquidated damages of more than 5% of the contract value in a contract due to delay or has been penalized due to any other reason in relation to execution of a contract, in the last three years?		

A statement by the Applicant and each of the Members of its Consortium (where applicable) or any of their Associates disclosing material non- performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the recent past is given below (Attach extra sheets, if necessary):



**ANNEX-II**  
**Technical Capacity of the Applicant**

(Refer to Clauses 2.2.2(A), 3.2 and 3.3 of the RFQ)

Applicant type <sup>#</sup>	Member Code <sup>¥</sup>	Project Code <sup>¥¥</sup>	Category <sup>\$</sup>	Experience <sup>£</sup> (Equivalent Rs. Crore) <sup>\$\$</sup>			
				Payments made/ received for construction and/ or operation of Eligible Projects in Category 3	Payments made / received for construction for Eligible Projects in Category 4	Payments made for development of Eligible Projects in Categories 1 and 2	Revenues appropriated from Eligible Projects in Categories 1 and 2
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Single entity Applicant		a					
		b					
		c					
		d					
Consortium Member 1		1a					
		1b					
		1c					
		1d					
Consortium Member 2		2a					
		2b					
		2c					
		2d					
Consortium Member 3		3a					
		3b					
		3c					
		3d					

Consortium Member 4		4a					
		4b					
		4c					
		4d					
<b>Aggregate Experience Score =</b>							

<sup>@</sup> Provide details of only those projects that have been undertaken by the Applicant under its own name and/ or by an Associate specified in Clause 2.2.9 and/ or by a project company eligible under Clause 3.2.3(b). In case of Categories 1 and 2, include only those projects which have an estimated capital cost exceeding the amount specified in Clause 3.2.3(c) and for Categories 3 and 4, include only those projects where the payments made/received exceed the amount specified in Clause 3.2.4. In case the Application Due Date falls within 3 (three) months of the close of the latest financial year, refer to Clause 2.2.12.

<sup>#</sup>An Applicant consisting of a single entity should fill in details as per the row titled Single entity Applicant and ignore the rows titled Consortium Member. In case of a Consortium, the row titled Single entity Applicant may be ignored. In case credit is claimed for an Associate, necessary evidence to establish the relationship of the Applicant with such Associate, in terms of Clause 2.2.9, shall be provided.

<sup>¥</sup>Member Code shall indicate NA for Not Applicable in case of a single entity Applicant. For other Members, the following abbreviations are suggested viz. LM means Lead Member, TM means Technical Member, FM means Financial Member, OMM means Operation & Maintenance Member, OM means Other Member.

<sup>¥¥</sup>Refer Annex-IV of this Appendix-I. Add more rows if necessary.

<sup>\$</sup> Refer Clause 3.2.1.

<sup>£</sup>In the case of Eligible Projects in Categories 1 and 2, the figures in columns 7 and 8 may be added for computing the Experience Score of the respective projects. In the case of Categories 3 and 4, construction shall not include supply of goods or equipment except when such goods or equipment form part of a turn-key construction contract/ EPC contract for the project. In no case shall the cost of land be included while computing the Experience Score of an Eligible Project.

<sup>\$\$</sup> For conversion of US Dollars to Rupees, the rate of conversion shall be Rupees 70 (seventy) to a US Dollar. In case of any other currency, the same shall first be converted to US Dollars as on the date 60 (sixty) days prior to the Application Due Date, and the amount so derived in US Dollars shall be converted into Rupees at the aforesaid rate. The conversion rate of such currencies shall be the daily representative exchange rates published by the International Monetary Fund for the relevant date.

*££ Divide the amount in the Experience column by one crore and then multiply the result thereof by the applicable factor set out in Table 3.2.6 to arrive at the Experience Score for each Eligible Project. In the case of an Eligible Project situated in an OECD country, the Experience Score so arrived at shall be further multiplied by 0.5, in accordance with the provisions of Clause 3.2.7, and the product thereof shall be the Experience Score for such Eligible Projects.*

ANNEX-III  
Financial Capacity of the Applicant  
(Refer to Clauses 2.2.2(B), 2.2.4 (ii) and 3.4 of the RFQ)

(In Rs. crore \$)

Applicant type \$\$	Member Code <sup>£</sup>	Net Cash Accruals					Net Worth <sup>££</sup>
(1)	(2)	Year 1 (3)	Year 2 (4)	Year 3 (5)	Year 4 (6)	Year 5 (7)	Year 1 (8)
Single entity Applicant							
Consortium Member 1							
Consortium Member 2							
Consortium Member 3							
Consortium Member 4							
<b>TOTAL</b>							

**Name & address of Applicant's Bankers:**

<sup>\$</sup>For conversion of other currencies into rupees, see notes below Annex-II of Appendix-I.

<sup>\$\$</sup>An Applicant consisting of a single entity should fill in details as per the row titled Single entity Applicant and ignore the rows titled Consortium Members. In case of a Consortium, row titled Single entity Applicant may be ignored.

<sup>£</sup>For Member Code, see instruction 4 at Annex-IV of this Appendix-I.

<sup>££</sup>The Applicant should provide details of its own Financial Capacity or of an Associate specified in Clause 2.2.9.

**Instructions:**

The Applicant/ its constituent Consortium Members shall attach copies of the balance sheets, financial statements and Annual Reports for 5 (five) years preceding the Application Due Date. The financial statements shall:

- (a) reflect the financial situation of the Applicant or Consortium Members and its/ their Associates where the Applicant is relying on its Associate's financials;
- (b) be audited by a statutory auditor;
- (c) be complete, including all notes to the financial statements; and
- (d) correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

- 2. Net Cash Accruals shall mean Profit After Tax + Depreciation.
- 3. Net Worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders).
- 4. Year 1 will be the latest completed financial year, preceding the bidding. Year 2 shall be the year immediately preceding Year 1 and so on. In case the Application Due Date falls within 3 (three) months of the close of the latest financial year, refer to Clause 2.2.12.
- 5. In the case of a Consortium, a copy of the Jt. Bidding Agreement shall be submitted in accordance with Clause 2.2.6 (g) of the RFQ document.
- 6. The Applicant shall provide an Auditor's Certificate specifying the Net Worth of the Applicant and also specifying the methodology adopted for calculating such Net Worth in accordance with Clause 2.2.4 (ii) of the RFQ document.

ANNEX-IV  
Details of Eligible Projects  
(Refer to Clauses 2.2.2(A), 3.2 and 3.3 of the RFQ)

**Project Code:**

**Member Code:**

Item	Refer Instruction	Particulars of the Project
(1)	(2)	(3)
Title & nature of the project	4	
Category	5	
Year-wise (a) payments received/ made for construction, (b) payments made for development of PPP projects and/ or (c) revenues appropriated	6	
Entity for which the project was constructed/ developed	7	
Location		
Project cost	8	
Date of commencement of project/ contract		
Date of completion/ commissioning	9	
Equity shareholding (with period during which equity was held)	10	
Whether credit is being taken for the Eligible Experience of an Associate (Yes/ No)	15	

**Instructions:**

1. Applicants are expected to provide information in respect of each Eligible Project in this Annex. The projects cited must comply with the eligibility criteria specified in Clause 3.2.3 and 3.2.4 of the RFQ, as the case may be. Information provided in this section is intended to serve as a backup for information provided in the Application. Applicants should also refer to the Instructions below.
2. For a single entity Applicant, the Project Codes would be a, b, c, d etc. In case the Applicant is a Consortium then for Member 1, the Project Codes would be 1a, 1b, 1c, 1d etc., for Member 2 the Project Codes shall be 2a, 2b, 2c, 2d etc., and so on.
3. A separate sheet should be filled for each Eligible Project.

4. Member Code shall indicate NA for Not Applicable in case of a single entity Applicant. For other Members, the following abbreviations are suggested viz. LM means Lead Member, TM means Technical Member, FM means Financial Member, OMM means Operation & Maintenance Member; and OM means Other Member. In case the Eligible Project relates to an Associate of the Applicant or its Member, write “Associate” along with Member Code.
5. Refer to Clause 3.2.1 of the RFQ for category number.
6. The total payments received/ made and/or revenues appropriated for each Eligible Project are to be stated in Annex-II of this Appendix-I. The figures to be provided here should indicate the break-up for the past 5 (five) financial years. Year 1 refers to the financial year immediately preceding the Application Due Date; Year 2 refers to the year before Year 1, Year 3 refers to the year before Year 2, and so on (Refer Clause 2.2.12). For Categories 1 and 2, expenditure on development of the project and/or revenues appropriated, as the case may be, should be provided, but only in respect of projects having an estimated capital cost exceeding the amount specified in Clause 3.2.3(c). In case of Categories 3 and 4, payments made/ received only in respect of construction should be provided, but only if the amount paid/received exceeds the minimum specified in Clause 3.2.4. Payment for construction works should only include capital expenditure, and should not include expenditure on repairs and maintenance.
7. In case of projects in Categories 1 and 2, particulars such as name, address and contact details of owner/ Authority/ Agency (i.e. concession grantor, counter party to PPA, etc.) may be provided. In case of projects in Categories 3 and 4, similar particulars of the client need to be provided.
8. Provide the estimated capital cost of the Eligible Project. Refer to Clauses 3.2.3 and 3.2.4
9. For Categories 1 and 2, the date of commissioning of the project, upon completion, should be indicated. In case of Categories 3 and 4, date of completion of construction should be indicated. In the case of projects under construction, the likely date of completion or commissioning, as the case may be, shall be indicated.
10. For Categories 1 and 2, the equity shareholding of the Applicant, in the company owning the Eligible Project, held continuously during the period for which Eligible Experience is claimed, needs to be given (Refer Clause 3.2.3).
11. Experience for any activity relating to an Eligible Project shall not be claimed by two or more Members of the Consortium. In other words, no double counting by a consortium in respect of the same experience shall be permitted in any manner whatsoever.
12. Certificate from the Applicant’s statutory auditor<sup>8</sup> or its respective clients must be furnished as per formats below for each Eligible Project. In jurisdictions that do

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<sup>8</sup> In case duly certified audited annual financial statements containing the requisite details are provided, a separate certification by statutory auditors would not be necessary.

not have statutory auditors, the auditors who audit the annual accounts of the Applicant/ Member/Associate may provide the requisite certification.

13. If the Applicant is claiming experience under Categories 1 & 2<sup>9</sup>, it should provide a certificate from the statutory auditor of the Applicant, or its Associate, in the format below:

**Certificate from the Statutory Auditor regarding PPP projects<sup>10</sup>**

Based on its books of accounts and other published information authenticated by it, this is to certify that ..... (name of the Applicant/Member/Associate) is/ was an equity shareholder in ..... (title of the project company) and holds/ held Rs. .... crore (Rupees ..... Crore) of equity (which constitutes .....%<sup>11</sup> of the total paid up and subscribed equity capital) of the project company from ..... (date) to ..... (date)<sup>12</sup>. The project was/is likely to be commissioned on ..... (date of commissioning of the project).

We further certify that the total estimated capital cost of the project is Rs. .... Crore. (Rupees ..... Crore), of which Rs. .... cr. (Rupees ..... Crore) of capital expenditure was incurred during the past five financial years as per year-wise details noted below:

.....  
.....

We also certify that the eligible annual revenues collected and appropriated by the aforesaid project company in terms of Clauses 3.2.1 and 3.2.3 (d) of the RFQ during the past five financial years were Rs.. .... cr. as per year-wise details noted below:

.....  
.....

Name of the audit firm:

Seal of the audit firm:

Date:

(Signature, name and designation  
of the authorised signatory)

14. If the Applicant is claiming experience under Category 3 & 4<sup>13</sup>, it should provide a certificate from its statutory auditors or the client in the format below:

<sup>9</sup> Refer Clause 3.2.1 of the RFQ.

<sup>10</sup> Provide Certificate as per this format only. Attach explanatory notes to the Certificate, if necessary. In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Applicant or its Associate may provide the certificates required under this RFQ.

<sup>11</sup> Refer instruction no. 10 in this Annex-IV.

<sup>12</sup> In case the project is owned by the Applicant company, this language may be suitably modified to read: "It is certified that ..... (name of Applicant) constructed and/ or owned the ..... (name of project) from ..... (date) to ..... (date)."

<sup>13</sup> Refer Clauses 3.2.1 and 3.2.4 of the RFQ.



**Certificate from the Statutory Auditor/ Client regarding construction / Operation works<sup>14</sup>**

Based on its books of accounts and other published information authenticated by it, {this is to certify that ..... (name of the Applicant/Member/Associate) was engaged by ..... (title of the project company) to execute ..... (name of project) for ..... (nature of project)}<sup>15</sup>. The construction/operation of the project commenced on ..... (date) and the project was/ is likely to be commissioned on ..... (date, if any). It is certified that ..... (name of the Applicant/ Member/ Associate) received/paid Rs..... cr. (Rupees ..... crore) by way of payment for the aforesaid construction/operation works.

We further certify that the total estimated capital cost/ of the project is Rs. .... cr. (Rupees .....crore), of which the Applicant/Member/Associate received/paid Rs. .... cr. (Rupees ..... crore), in terms of Clauses 3.2.1 and 3.2.4 of the RFQ, during the past five financial years as per year- wise details noted below:

.....  
.....

*{It is further certified that the payments/ receipts indicated above are restricted to the share of the Applicant who undertook these works as a partner or a member of joint venture/ consortium.}*<sup>16</sup>

Name of the audit firm:

Seal of the audit firm:

(Signature, name and designation of the

Date:

authorised signatory).

<sup>14</sup> Provide Certificate as per this format only. Attach explanatory notes to the Certificate, if necessary. In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Applicant or its Associate may provide the certificates required under this RFQ.

<sup>15</sup> In case the Applicant owned the Eligible Project and engaged a contractor for undertaking the construction works, this language may be modified to read: "this is to certify that ..... (name of Applicant/ Member/ Associate) held 26% or more of the paid up and subscribed share capital in the..... (name of Project company) when it undertook construction of the ..... (name of Project) through ..... (name of the contractor).

<sup>16</sup> This certification should only be provided in case of jobs/ contracts, which are executed as part of a partnership/ joint venture/ consortium. The payments indicated in the certificate should be restricted to the share of Applicant in such partnership/ joint venture/ consortium. This portion may be omitted if the contract did not involve a partnership/ joint venture/ consortium. In case where work is not executed by partnership/ joint venture/ consortium, this paragraph may be deleted.

15. In the event that credit is being taken for the Eligible Experience of an Associate, as defined in Clause 2.2.9, the Applicant should also provide a certificate in the format below:

<b>Certificate from the Statutory Auditor/ Company Secretary regarding Associate<sup>17</sup></b>					
<p>Based on the authenticated record of the Company, this is to certify that more than 50% (fifty per cent) of the subscribed and paid up voting equity of ..... (name of the Applicant/ Consortium Member/ Associate) is held, directly or indirectly<sup>18</sup>, by ..... (name of Associate/ Applicant/ Consortium Member). By virtue of the aforesaid share-holding, the latter exercises control over the former, who is an Associate in terms of Clause 2.2.9 of the RFQ.</p> <p>A brief description of the said equity held, directly or indirectly, is given below:</p> <p><i>{Describe the share-holding of the Applicant/ Consortium Member and the Associate. In the event the Associate is under common control with the Applicant/ Consortium Member, the relationship may be suitably described and similarly certified herein. }</i></p> <p>Name of the audit firm:</p> <table style="width: 100%;"><tr><td style="width: 50%;">Seal of the audit firm:</td><td style="width: 50%;">(Signature, name and designation of</td></tr><tr><td>Date:</td><td>the authorised signatory).</td></tr></table>		Seal of the audit firm:	(Signature, name and designation of	Date:	the authorised signatory).
Seal of the audit firm:	(Signature, name and designation of				
Date:	the authorised signatory).				

16. It may be noted that in the absence of any detail in the above certificates, the information would be considered inadequate and could lead to exclusion of the relevant project in computation of Experience Score<sup>19</sup>.

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<sup>17</sup> In the event that the Applicant/Consortium Member exercises control over an Associate by operation of law, this certificate may be suitably modified and copies of the relevant law may be enclosed and referred to.

<sup>18</sup> In the case of indirect share-holding, the intervening companies in the chain of ownership should also be Associates i.e., the share-holding in each such company should be more than 50% in order to establish that the chain of “control” is not broken.

<sup>19</sup> Refer Clause 3.2.6 of the RFQ.

ANNEX-V  
Statement of Legal Capacity

*(To be forwarded on the letterhead of the Applicant/ Lead Member of Consortium)*

Ref.

Date:

To,

.....  
.....  
.....

Dear Sir,

We hereby confirm that we/ our members in the Consortium (constitution of which has been described in the Application) satisfy the terms and conditions laid out in the RFQ document.

We have agreed that ..... (insert member's name) will act as the Lead Member of our consortium.<sup>20</sup>

We have agreed that ..... (insert individual's name) will act as our representative/ will act as the representative of the consortium on its behalf<sup>19</sup> and has been duly authorized to submit the RFQ. Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Thanking you,

Yours faithfully,

(Signature, name and designation of the authorised signatory)

For and on behalf of.....

---

<sup>20</sup> Please strike out whichever is not applicable.

**APPENDIX-II**  
**Power of Attorney for Singing of Application and Bid**

*(To be submitted in original)*

*(Refer Clause 2.2.5)*

Know all men by these presents, We..... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr/Ms (name), ..... son/daughter/wife of ..... and presently residing at ....., who is presently employed with us/ the Lead Member of our Consortium and holding the position of ....., as our true and lawful attorney (hereinafter referred to as the “**Attorney**”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our application for pre-qualification and submission of our bid for the ..... Project proposed or being developed by the ..... (the “**Authority**”) including but not limited to signing and submission of all applications, bids and other documents and writings, participate in Pre-Applications and other conferences and providing information/ responses to the Authority, representing us in all matters before the Authority, signing and execution of all contracts including the Concession Agreement and undertakings consequent to acceptance of our bid, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our bid for the said Project and/ or upon award thereof to us and/or till the entering into of the Concession Agreement with the Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, ....., THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ..... 2.....

For

.....  
(Signature, name, designation and address)

Witnesses:

- 1.
- 2.

(Notarised)

Accepted

.....

(Signature)

(Name, Title and Address of the Attorney)

*Notes:*

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostile certificate.*

**APPENDIX-III**  
**Power of Attorney for Lead Member of Consortium**  
*(To be submitted in original)*  
*(Refer Clause 2.2.5)*

Whereas the Visakhapatnam Port Authority (“the **Authority**”) has invited applications from interested parties for the **Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis** (the “**Project**”).

Whereas,....., ..... and ..... (collectively the “**Consortium**”) being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Qualification document (RFQ), Request for Proposal (RFP) and other connected documents in respect of the Project, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s bid for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, ..... having our registered office at ....., M/s. .... having our registered office at ....., M/s. .... having our registered office at ....., and ..... having our registered office at ....., (hereinafter collectively referred to as the “**Principals**”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s. .... having its registered office at ....., being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “**Attorney**”). We hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and, in the event the Consortium is awarded the concession/contract, during the execution of the Project and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the pre-qualification of the Consortium and submission of its bid for the Project, including but not limited to signing and submission of all applications, bids and other documents and writings, accept the Letter of Award, participate in bidders’ and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s bid for the Project and/ or upon award thereof till the Concession Agreement is entered into with the Authority.

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ..... 2.....

For .....  
(Signature)

.....  
(Name & Title)

For .....  
(Signature)

.....  
(Name & Title)

For .....  
(Signature)

.....  
(Name & Title)

Witnesses:

1.

2.

.....

(Executants)

(To be executed by all the Members of the Consortium)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents*

*of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*

- *Also, wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Apostille certificate.*



**APPENDIX-IV**  
**Joint Bidding Agreement**  
(Refer Clause 2.13.2)

*(To be executed on Stamp paper of appropriate value)*

THIS JOINT BIDDING AGREEMENT is entered into on this the ..... day of ..... 20...

**AMONGST**

1. .... Limited, a company incorporated under the Companies Act, 1956/2013<sup>21</sup> and having its registered office at ..... (hereinafter referred to as the “**First Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)

**AND**

2. .... Limited, a company incorporated under the Companies Act, 1956/2013 and having its registered office at ..... (hereinafter referred to as the “**Second Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)

**AND**

3. {..... Limited, a company incorporated under the Companies Act, 1956/2013 and having its registered office at ..... (hereinafter referred to as the “**Third Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)}

**AND**

4. {..... Limited, a company incorporated under the Companies Act, 1956/2013 and having its registered office at ..... (hereinafter referred to as the “**Fourth Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)}<sup>22</sup>

The above mentioned parties of the FIRST, SECOND, {THIRD and FOURTH} PART are collectively referred to as the “**Parties**” and each is individually referred to as a “**Party**”

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<sup>21</sup> A Bidder who is registered abroad may substitute the words, viz “a company registered under the Companies Act, 1956/2013” by the words, viz “a company duly organised and validly existing under the laws of the jurisdiction of its incorporation”. A similar modification may be made in Recital 2, as necessary.

<sup>22</sup> The number of Parties will be shown here, as applicable, subject however to a maximum of 6 (six).

**WHEREAS,**

- i. Visakhapatnam Port Authority, established under the Major Port Authorities Act, 2021 represented by its Chairman and having its registered Office at Visakhapatnam Port Authority, Port Area, Visakhapatnam -530035 (hereinafter referred to as the “**Authority**” which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) has invited applications (the **Applications**) by its Request for Qualification No. .... dated ..... (the “**RFQ**”) for pre-qualification and short-listing of bidders for **Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis** (the “**Project**”) through public private partnership.
- ii. The Parties are interested in jointly bidding for the Project as members of a Consortium and in accordance with the terms and conditions of the RFQ document and other bid documents in respect of the Project, and
- iii. It is a necessary condition under the RFQ document that the members of the Consortium shall enter into a Joint Bidding Agreement and furnish a copy thereof with the Application.

**NOW IT IS HEREBY AGREED as follows:****1. Definitions and Interpretations**

In this Agreement, the capitalized terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFQ.

**2. Consortium**

- 2.1 The Parties do hereby irrevocably constitute a consortium (the “Consortium”) for the purposes of jointly participating in the Bidding Process for the Project.
- 2.2 The Parties hereby undertake to participate in the Bidding Process only through this Consortium and not individually and/ or through any other consortium constituted for this Project, either directly or indirectly or through any of their Associates.

**3. Covenants**

The Parties hereby undertake that in the event the Consortium is declared the selected Bidder and awarded the Project, it shall incorporate a special purpose vehicle (the “**SPV**”) under the Indian Companies Act, 2013 for entering into a Concession Agreement with the Authority and for performing all its obligations as the Concessionaire in terms of the Concession Agreement for the Project.

#### 4. Role of the Parties

The Parties hereby undertake to perform the roles and responsibilities as described below:

- (a) Party of the First Part shall be the Lead member of the Consortium and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Consortium during the Bidding Process and until the Appointed Date under the Concession Agreement when all the obligations of the SPV shall become effective;
- (b) Party of the Second Part shall be {the Technical Member of the Consortium;}
- (c) {Party of the Third Part shall be the Financial Member of the Consortium; and}
- (d) {Party of the Fourth Part shall be the Operation and Maintenance Member/ Other Member of the Consortium.}

#### 5. Joint and Several Liability

The Parties do hereby undertake to be jointly and severally responsible for all obligations and liabilities relating to the Project and in accordance with the terms of the RFQ, RFP and the Concession Agreement, till such time as the Financial Close for the Project is achieved under and in accordance with the Concession Agreement.

#### 6. Shareholding in the SPV

- 6.1 The Parties agree that the proportion of shareholding among the Parties in the SPV shall be as follows:

First Party:

Second Party:

{Third Party:}

{Fourth Party:}

- 6.2 The Parties undertake that a minimum of 26% (twenty six per cent) of the subscribed and paid up equity share capital of the SPV shall, at all times till the first anniversary of the date of commercial operation of the Project, be held by the Parties of the First, {Second and Third} Part whose experience and Net Worth have been reckoned for the purposes of qualification and short- listing of Applicants for the Project in terms of the RFQ.
- 6.3 The Parties undertake that each of the Parties specified in Clause 6.2 above shall, at all times between the commercial operation date of the Project and the first anniversary thereof, hold subscribed and paid up equity share capital of SPV equivalent to at least 5% (five per cent) of the Total Project Cost.

- 6.4 The Parties undertake that they shall collectively hold at least 51% (fifty one per cent) of the subscribed and paid up equity share capital of the SPV at all times until the first anniversary of the commercial operation date of the Project.
- 6.5 The Parties undertake that they shall comply with all equity lock-in requirements set forth in the Concession Agreement.

## **7. Representation of the Parties**

Each Party represents to the other Parties as of the date of this Agreement that:

- (a) Such Party is duly organised, validly existing and in good standing under the laws of its incorporation and has all requisite power and authority to enter into this Agreement;
- (b) The execution, delivery and performance by such Party of this Agreement has been authorised by all necessary and appropriate corporate or governmental action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member is annexed to this Agreement, and will not, to the best of its knowledge:
- i. require any consent or approval not already obtained;
  - ii. violate any Applicable Law presently in effect and having applicability to it;
  - iii. violate the memorandum and articles of association, by-laws or other applicable organisational documents thereof;
  - iv. violate any clearance, permit, concession, grant, license or other governmental authorization, approval, judgement, order or decree or any mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or
  - v. create or impose any liens, mortgages, pledges, claims, security interests, charges or encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
- (c) this Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and
- (d) there is no litigation pending or, to the best of such Party's knowledge, threatened to which it or any of its Associates is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfillment of its obligations under this Agreement.

(e)

## 8. Termination

This Agreement shall be effective from the date hereof and shall continue in full force and effect until the Financial Close of the Project is achieved under and in accordance with the Concession Agreement, in case the Project is awarded to the Consortium. However, in case the Consortium is either not pre-qualified for the Project or does not get selected for award of the Project, the Agreement will stand terminated in case the Applicant is not pre-qualified or upon return of the Bid Security by the Authority to the Bidder, as the case may be.

## 9. Miscellaneous

9.1 This Joint Bidding Agreement shall be governed by laws of India.

9.2 The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED  
DELIVERED

For and on behalf of  
LEAD MEMBER by:  
PART  
(Signature)  
(Name)  
(Designation) (Address)

SIGNED, SEALED AND

For and on behalf of  
SECOND  
(Signature)  
(Name) (Designation)  
(Address)

SIGNED, SEALED AND DELIVERED  
For and on behalf of  
THIRD PART  
PART

(Signature)  
(Name)  
(Designation) (Address)

SIGNED, SEALED AND DELIVERED  
For and on behalf of  
FOURTH

(Signature)  
(Name) (Designation)  
(Address)

In the presence  
of:

- 1.
- 2.

***Notes:***

1. The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
2. Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member.
3. For a Joint Bidding Agreement executed and issued overseas, the document shall be legalised by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney has been executed.

**APPENDIX-V**  
**Guidelines of the Department of Disinvestment**

*(Refer Clause 1.2.1)*

No. 6/4/2001-DD-II  
Government of India  
Department of Disinvestment

Block 14, CGO Complex  
New Delhi.

Dated 13<sup>th</sup> July, 2001.

**OFFICE MEMORANDUM**

**Sub:** Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment\*

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like Net Worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification/ disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- (a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. Grave offence is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government of India.
- (b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government/ conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken, based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/ persons.
- (c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.

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\* These guidelines may be modified or substituted by the Government from time to time.

- (d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- (e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- (f) Before disqualifying a concern, a Show Cause Notice why it should not be disqualified would be issued to it and it would be given an opportunity to explain its position.
- (g) Henceforth, these criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern or against its CEO or any of its Directors/ Managers/ employees, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be obtained along with EOI.

sd/-

(A.K. Tewari)

Under Secretary to the Government of India



**APPENDIX VI**  
**Proforma for Security Clearance**  
*(Refer 2.13.2)*

Revised formats for seeking Security Clearance for Bidders to be provided in line with Ministry of Shipping letter vide F.No. PD-24018/2/2018-SCC dated 24/08/2018. Considering the same, all the interested Bidders for the above proposal have to register themselves in “e-SAHAJ” portal. Bidders then need to fill up the form, upload documents as instructed and download the self-generated Acknowledgement from ‘e-SAHAJ’, to be sealed and signed by the Authorized Signatory. The same shall be made part of RFQ Application in here as APPENDIX VI.

(To be attached along with the submission)

**MOST IMMEDIATE**

F.No.PD-24018/2/2018-SCC  
 Government of India  
 Ministry of Shipping  
 Ports Wing

1, Parliament Street,  
 Transport Bhawan,  
 New Delhi – 110 001  
 Date: 24.08.2018

To

Chairman,  
 All Major Ports

Subject:- Online submission of Security Clearance proposal to Ministry of Home  
 Affairs through **e-sahaj portal** w.e.f. 1.9.2018-Regarding.

\*\*\*\*\*

Sir,

I am directed to say that Ministry of Home Affairs(MHA) is one of the security agencies for according national security clearance to the bidders participating in PPP projects and dredging projects in Major Ports. Recently, MHA has developed "e-sahaj" portal for submission of security clearance proposal in respect of Ministry of Civil Aviation(MoCA) and presently functional. Now MHA has extended the "e-sahaj" portal to all Ministries/Departments who are seeking security clearance from them. This e-sahaj portal will be effective from 1.9.2018 and thereafter they will not accept security clearance proposal in physical form. However, in respect of Ministry of Defence(MoD) and Ministry of External Affairs(MEA) the proposal will continue to be sent in physical form..

2. All forms meant for submitting security clearance from MHA have been uploaded in e-sahaj portal. The process for submitting security clearance from MHA will be as followed:-

- (i) All bidders participating in PPP/dredging projects will have to register themselves in "e-sahaj" portal. The log-in id and password would be provided through email and SMS through Mobile No.(ISD/STD/Local).

Bidders then need to fill up the form, upload documents as instructed and then send to concerned Port.

- (ii) It is observed that PPP/dredging projects are mainly dealt by Chief Engineer(CE) or Chief Mechanical Engineer (CME). They would be the Nodal Officer for e-sahaj portal in their respective Port and their subordinates would be the Associate Officers. Each Port to intimate the details of Nodal Officers and Associate Officers such as their name, designation, mobile No. and official email id. On receipt of the above, NIC will be providing Log in id and password to each Nodal Officer and Associate Officer.
- (iii) Concerned Nodal Officer will get email/SMS alert of receiving security clearance proposal. Through login id and password, Nodal/Associate Officer will be able to see the application. Nodal Officer/Associate Officer after verifying the application would forward the proposal to Ministry of Shipping.
- (iv) Ministry of Shipping on receipt of the proposal would verify the application and if complete in all respect, forward the same electronically to MHA.

3. All Ports are therefore requested to nominate CE & CME as Nodal Officer and their subordinates as Associate Officer. Ports like JNPT, KPL where CE, CME Posts do not exist, may nominate officer holding equivalent post as Nodal Officer and Associate Officer. A proforma for nominating Nodal Officer and Associate Officer is enclosed as **Annexure-A**.

4. It is also informed that trial run of e-sahaj would be opened on 27.8.2018 and NIC in MHA and MoCA will be holding an interactive session tentatively on 29.8.2018 or 30.8.2018 for handholding the process. Initially, Nodal Officers/Associate Officers of JNPT, VoCPT and Haldia Dock Complex may be deputed for the above mentioned interactive session

5. All Major Ports are requested to provide the information enclosed at **Annexure-A by 27.8.2018** so that the same could be sent to MHA for generating unique login id and password for each Nodal Officer and Associate Officer. JNPT, VoCPT & HDC are requested to depute their Nodal Officer/Associate Officer to attend the interactive session. The exact date of the interactive session would be intimated on 27.8.2018.

6. This may be given **TOP PRIORITY**.

Yours faithfully,



[S.R. DATTA]

Under Secretary to the Government of India

Telefax: 011-23358128

Email: [uspg@nic.in](mailto:uspg@nic.in)

Encl: as above.

Copy to MD, IPA. It has been observed that recently IPA is also seeking security clearance for procurement of Container Scanners. As this matter is being dealt by Shri B. Krishnamoorthy, Executive Director and Shri Rajeev Puri, Chief Administrative Officer in IPA, they may be nominated as Nodal Officer and Associate Officer respectively for e-sahaj portal. In case IPA wants any change in nominating Nodal Officer and Associate Officer the same may be intimated to the Ministry by **27.8.2018 alongwith Annexure-A** for forwarding the same to MHA.



[S.R. DATTA]

Under Secretary to the Government of India

## APPENDIX VII

### Proforma of Pre-Integrity Pact

*(Refer Clause 2.2.11 & 2.13.2)*

#### **General**

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on day of the month of \_\_\_\_\_ 20 , between, on one hand, the Board of Trustees of Visakhapatnam Port Authority acting through Mr. \_\_\_\_\_, Chief Engineer, Civil Engineering Department, Visakhapatnam Port Authority (hereinafter called the '**CONCESSIONING AUTHORITY**', which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and

M/s. \_\_\_\_\_ represented by Shri. \_\_\_\_\_, \_\_\_\_\_ (designation) \_\_\_\_\_ (hereinafter called the "**BIDDER/CONCESSIONAIRE**" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the CONCESSIONING AUTHORITY has invited bids for the project of **“Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”** (hereinafter referred to as the **“PROJECT”**) and the **“BIDDER/ CONCESSIONAIRE”** is submitting its Bid for the Project, and

WHEREAS the BIDDER is a Private Limited Company/ Public Limited Company/ Government undertaking/ registered partnership firm/ Joint Venture/ Consortium, constituted in accordance with the relevant law in the matter.

CONCESSIONING AUTHORITY NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to: - Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the CONCESSIONING AUTHORITY will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

### **Commitments of the CONCESSIONING AUTHORITY**

- 1.1 The CONCESSIONING AUTHORITY undertakes that no official of the CONCESSIONING AUTHORITY, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
- 1.2 The CONCESSIONING AUTHORITY will, during the pre- contract stage, treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 1.3 All the officials of the CONCESSIONING AUTHORITY will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the CONCESSIONING AUTHORITY with full and verifiable facts and the same is prima facie found to be correct by the CONCESSIONING AUTHORITY necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the CONCESSIONING AUTHORITY and such a person shall be debarred from further dealings related to the contract process. In such a case, while an enquiry is being conducted by the CONCESSIONING AUTHORITY the proceedings under the contract would not be stalled.

### **Commitments of BIDDERS**

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-
  - 3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the CONCESSIONING AUTHORITY connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

- 3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the CONCESSIONING AUTHORITY or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.
- 3.3 \* BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.
- 3.4 \* BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
- 3.5 \* The BIDDER further confirms and declares to the CONCESSIONING AUTHORITY that the BIDDER has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the CONCESSIONING AUTHORITY or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 3.6 The BIDDER, either while presenting the bid or during pre- contract negotiations or before signing the contract/Concession Agreement, shall disclose any payments he has made, is committed to or intends to make to officials of the CONCESSIONING AUTHORITY or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 3.9 The BIDDER shall not use impropriety for purposes of competition or personal gain, or pass on to others, any information provided by the CONCESSIONING AUTHORITY as part of the business relationship, regarding plans, technical proposals and business details,

including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

- 3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the CONCESSIONING AUTHORITY, or alternatively, if any relative of an officer of the CONCESSIONING AUTHORITY has financial interest/stake in the bidder's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.  
The term 'relative' for this purpose would be as defined in Section 2(77) of the Companies Act 2013.
- 3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the CONCESSIONING AUTHORITY.

#### **4. Previous Transgression**

- 4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify bidder's exclusion from the tender process.
- 4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

#### **5. Bid Security / Performance Security Deposit**

- 5.1 While submitting the bid, the BIDDER shall submit a bid security, with the CONCESSIONING AUTHORITY
- 5.2 In the case of Successful Bidder, a Performance Security in the form of a Bank Guarantee shall be provided in accordance with the terms of the Concession Agreement and having validity as specified therein.



- 5.3 In case of the successful BIDDER, a clause would also be incorporated in the Article pertaining to Performance Security in the Project Concession Agreement that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Security in case of a decision by the CONCESSIONING AUTHORITY to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 5.4 No interest shall be payable by the CONCESSIONING AUTHORITY to the BIDDER on Performance Security for the period of its currency.

## **6. Sanctions for Violations**

- 6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the CONCESSIONING AUTHORITY to take all or any one of the following actions, wherever required:-
- a. To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.
  - b. The Performance Security (after the contract is signed) shall stand forfeited either fully or partially, as decided by the CONCESSIONING AUTHORITY and the CONCESSIONING AUTHORITY shall not be required to assign any reason therefore.
  - c. To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.
  - d. To cancel all or any other Contracts with the BIDDER. The BIDDER shall, be liable to pay compensation for any loss or damage to the CONCESSIONING AUTHORITY resulting from such cancellation/rescission and the CONCESSIONING AUTHORITY shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
  - e. To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the CONCESSIONING AUTHORITY.
  - f. To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.
  - g. Forfeiture of Performance Security in case of a decision by the CONCESSIONING AUTHORITY to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 6.2 The CONCESSIONING AUTHORITY will be entitled to take all or any of the actions mentioned at para 6.1(a) to (g) of this Pact also on the Commission by the BIDDER or any one

employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

- 6.3 The decision of the CONCESSIONING AUTHORITY to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

## **7. Fall Clause**

- 7.1 The BIDDER undertakes that it has not performed /is not performing similar project at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar project was performed by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the CONCESSIONING AUTHORITY, if the contract has already been concluded.

## **8. Independent Monitors**

- 8.1 The CONCESSIONING AUTHORITY has appointed the following Independent Monitors (hereinafter referred to as Monitor) for this Pact in consultation with the Central Vigilance Commission.
- 8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- 8.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
- 8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/bidding, including minutes of meetings.
- 8.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the CONCESSIONING AUTHORITY,
- 8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the CONCESSIONING AUTHORITY including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under

contractual obligation to treat the information and documents of the BIDDER/ Subcontractor(s) with confidentiality.

8.7 The CONCESSIONING AUTHORITY will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

8.8 The Monitor will submit a written report to the designated Authority of CONCESSIONING AUTHORITY within 8 to 10 weeks from the date of reference or intimation to him by the CONCESSIONING AUTHORITY / BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

**9. Facilitation of Investigation**

In case of any allegation of violation of any provisions of this pact or payment of commission, the CONCESSIONING AUTHORITY or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

**10. Law and Place of Jurisdiction**

This Pact is subject to Indian Law.' The place of performance and jurisdiction is the seat of the CONCESSIONING AUTHORITY.

**11. Other Legal Actions**

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

**12. Validity**

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the CONCESSIONING AUTHORITY and the BIDDER/ CONCESSIONAIRE, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

12.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

**13.** The parties hereby sign this Integrity Pact at \_\_\_\_\_ on

**BIDDER**

Name of the Officer.

Designation

Witness

1. \_\_\_\_\_  
2. \_\_\_\_\_

**CONCESSIONING AUTHORITY**

Chief Manager (PPD)

Dept./MINISTRY/PSU

Witness

1. \_\_\_\_\_  
2. \_\_\_\_\_,

\* Provisions of these clauses would need to be amended/ deleted in line with the policy of the CONCESSIONING AUTHORITY in regard to involvement of Indian agents of foreign bidders.

## APPENDIX VIII

### Policy for Preventing Private Sector Monopoly in Major Ports

Government of India  
Ministry of Shipping  
(Ports Wing)

No.PD-24018/8/2009 - PD.III      New Delhi-1, dated the 2<sup>nd</sup> August, 2010

To

The Chairman, All Port Trusts

**Sub:- Policy for preventing private sector monopoly in Major Ports.**

Sir,

In pursuance of private sector participation guidelines, 1996 for the Port Sector and with a view to ensure healthy competition and smooth award of the projects for capacity augmentation at the Major Ports, the Central Government hereby directs all Major Ports under Section 111 of the Major Port Trusts Act, 1963, to follow the following Policy while awarding projects to private parties through Public Private Partnership (PPP) route so as to avoid private sector monopoly in the Major Ports. This policy is in supersession of this Ministry's letters No.PD-25021/13/2002-Pvt dated 11<sup>th</sup> November, 2002, No.PD-12013/2/2005-JNPT dated 26<sup>th</sup> September, 2007 and No.PD-11015/2/2006-VPT dated 1<sup>st</sup> October, 2008.

#### 2. Policy

If there is only one private terminal/berth operator in a port for a specific cargo, the operator of that berth or his associates shall not be allowed to bid for the next terminal/berth for handling the same cargo in the same port.

For the purpose of this policy, the terms

- (i) 'Operator' includes consortium members of the bidder;
- (ii) 'Associates' means, in relation to the Applicant/Consortium member, a person who controls, is controlled by, or is under common control with such Applicant/Consortium Member (the Associate). As used in the definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, or more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law.
- (iii) 'Berth' shall have the same meaning as "Wharf" given in Section 2 (za) of the MPT Act, 1963.

(iv) 'Specific Cargo' means (i) containers (ii) liquid bulk, (iii) dry bulk or (iv) multipurpose/other general cargo.

3. The policy shall be applicable with immediate effect and shall apply to Request for Qualification (RFQs) issued on or after this date.

4. It is also directed that the above provisions may be incorporated by the Major Ports in the Request for Qualification & Request for Proposal to give effect to the policy in relevant cases.

5. This issues with the concurrence of the Ministry of Law and Justice, Department of Legal Affairs and approval of Hon'ble Minister of Shipping.

Yours faithfully,

(Geetu Joshi)  
Director  
Tel No, 23321672

**APPENDIX IX**  
**Certificate regarding Compliance with Restrictions under Rule 144 (xi) of the**  
**General Financial Rules (GFRs)**

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**To**

**Visakhapatnam Port Authority**

**Sub: Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis.**

Dear Sir,

With reference to your RFQ document dated \*\*\* \*\*\$, I/we, having examined the Bidding Documents and understood their contents, hereby undertake and confirm as follows:

*I/We have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub- contracting to contractors from such countries;*

*I certify that this Bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub- contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority.*

*I hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered.*

Yours faithfully,

Date:

(Signature of the Authorised signatory)

Place:

(Name and designation of the of the Authorised signatory)

Name and seal of Bidder/Lead Member

**Notes:**

{Where applicable, evidence of valid registration by the Competent Authority shall be attached}

In case the above certification is found to be false, this would be a ground for immediate rejection of Bid/termination and further legal action in accordance with

F.No.6/18/2019-PPD  
Ministry of Finance  
Department of Expenditure  
Public Procurement Division


161, North Block,  
New Delhi  
23rd July, 2020

**Office Memorandum**

**Subject: Insertion of Rule 144 (xi) in the General Financial Rules (GFRs), 2017**

Rule 144 of the General Financial Rules 2017 entitled 'Fundamental principles of public buying', has been amended by inserting sub-rule (xi) as under:

*Notwithstanding anything contained in these Rules, Department of Expenditure may, by order in writing, impose restrictions, including prior registration and/or screening, on procurement from bidders from a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security; no procurement shall be made in violation of such restrictions.*

  
(Sanjay Prasad)  
Joint Secretary (PPD)  
Email ID: [js.pfc2.doe@gov.in](mailto:js.pfc2.doe@gov.in)  
Telephone: 011-23093882

To,  
(1) Secretaries of All Ministries/ Departments of Government of India  
(2) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi



F.No.6/18/2019-PPD  
Ministry of Finance  
Department of Expenditure  
Public Procurement Division

161, North Block,  
New Delhi  
23rd July, 2020

**Order (Public Procurement No. 1)**

**Subject: Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017**

Attention is invited to this office OM no. 6/18/2019-PPD dated 23<sup>rd</sup> July 2020 inserting Rule 144 (xi) in GFRs 2017. In this regard, the following is hereby ordered under Rule 144 (xi) on the grounds stated therein:

**Requirement of registration**

1. Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority, specified in **Annex I**.
2. This Order shall not apply to (i) cases where orders have been placed or contract has been concluded or letter/notice of award/ acceptance (LoA) has been issued on or before the date of this order; and (ii) cases falling under **Annex II**.

**Transitional cases**

3. Tenders where no contract has been concluded or no LoA has been issued so far shall be handled in the following manner: -
  - a) *In tenders which are yet to be opened, or where evaluation of technical bid or the first exclusionary qualificatory stage (i.e. the first stage at which the qualifications of tenderers are evaluated and unqualified bidders are excluded) has not been completed: No contracts shall be placed on bidders from such countries. Tenders received from bidders from such countries shall be dealt with as if they are non-compliant with the tender conditions and the tender shall be processed accordingly.*
  - b) *If the tendering process has crossed the first exclusionary qualificatory stage: If the qualified bidders include bidders from such countries, the*

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entire process shall be scrapped and initiated *de novo*. The *de novo* process shall adhere to the conditions prescribed in this Order.

- c) As far as practicable, and in cases of doubt about whether a bidder falls under paragraph 1, a certificate shall be obtained from the bidder whose bid is proposed to be considered or accepted, in terms of paras 8, 9 and 10 read with para 1 of this Order.

#### Incorporation in tender conditions

- 4. In tenders to be issued after the date of this order, the provisions of paragraph 1 and of other relevant provisions of this Order shall be incorporated in the tender conditions.

#### Applicability

- 5. Apart from Ministries / Departments, attached and subordinate bodies, notwithstanding anything contained in Rule 1 of the GFRs 2017, this Order shall also be applicable
  - a. to all Autonomous Bodies;
  - b. to public sector banks and public sector financial institutions; and
  - c. subject to any orders of the Department of Public Enterprises, to all Central Public Sector Enterprises; and
  - d. to procurement in Public Private Partnership projects receiving financial support from the Government or public sector enterprises/ undertakings.
  - e. Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof

#### Definitions

- 6. "Bidder" for the purpose of this Order (including the term 'tenderer', 'consultant' 'vendor' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency, branch or office controlled by such person, participating in a procurement process.
- 7. "Tender" for the purpose of this Order will include other forms of procurement, except where the context requires otherwise.
- 8. "Bidder from a country which shares a land border with India" for the purpose of this Order means

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- a) An entity incorporated, established or registered in such a country; or
- b) A subsidiary of an entity incorporated, established or registered in such a country; or
- c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
- d) An entity whose *beneficial owner* is situated in such a country; or
- e) An Indian (or other) agent of such an entity; or
- f) A natural person who is a citizen of such a country; or
- g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above

9. "Beneficial owner" for the purpose of paragraph 8 above will be as under:

- (i) In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person(s), has a controlling ownership interest or who exercises control through other means.

Explanation—

- a. "Controlling ownership interest" means ownership of, or entitlement to, more than twenty-five per cent of shares or capital or profits of the company;
- b. "Control" shall include the right to appoint the majority of the directors or to control the management or policy decisions, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

- (ii) In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

- (iii) In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

- (iv) Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

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(v) In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

10. "Agent" for the purpose of this Order is a person employed to do any act for another, or to represent another in dealings with third persons.

#### Sub-contracting in works contracts

11. In works contracts, including turnkey contracts, contractors shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. The definition of "contractor from a country which shares a land border with India" shall be as in paragraph 8 above. This shall not apply to sub-contracts already awarded on or before the date of this Order.

#### Certificate regarding compliance

12. A certificate shall be taken from bidders in the tender documents regarding their compliance with this Order. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

#### Validity of registration

13. In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.

#### Government E-Marketplace


14. The Government E-Marketplace shall, as soon as possible, require all vendors/ bidders registered with GeM to give a certificate regarding compliance with this Order, and after the date fixed by it, shall remove non-compliant entities from GeM unless/ until they are registered in accordance with this Order.

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Model Clauses/ Certificates

15. Model Clauses and Model Certificates which may be inserted in tenders / obtained from Bidders are enclosed as **Annex III**. While adhering to the substance of the Order, procuring entities are free to appropriately modify the wording of these clauses based on their past experience, local needs etc. without making any reference to this Department.

  
(Sanjay Prasad)  
Joint Secretary (PPD)  
Email ID: [js.pfc2.doe@gov.in](mailto:js.pfc2.doe@gov.in)  
Telephone: 011-23093882

To

- (1) Secretaries of All Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
- (2) Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect of Public Enterprises.
- (3) Secretary DPIIT with a request to initiate action as provided under Annex I
- (4) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi

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## Annex I: Competent Authority and Procedure for Registration

- A. The Competent Authority for the purpose of registration under this Order shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)\*.
- B. The Registration Committee shall have the following members\*:
- i. An officer, not below the rank of Joint Secretary, designated for this purpose by DPIIT, who shall be the Chairman;
  - ii. Officers (ordinarily not below the rank of Joint Secretary) representing the Ministry of Home Affairs, Ministry of External Affairs, and of those Departments whose sectors are covered by applications under consideration;
  - iii. Any other officer whose presence is deemed necessary by the Chairman of the Committee.
- C. DPIIT shall lay down the method of application, format etc. for such bidders as stated in para 1 of this Order.
- D. On receipt of an application seeking registration from a bidder from a country covered by para 1 of this Order, the Competent Authority shall first seek political and security clearances from the Ministry of External Affairs and Ministry of Home Affairs, as per guidelines issued from time to time. Registration shall not be given unless political and security clearance have both been received.
- E. The Ministry of External Affairs and Ministry of Home Affairs may issue guidelines for internal use regarding the procedure for scrutiny of such applications by them.
- F. The decision of the Competent Authority, to register such bidder may be for all kinds of tenders or for a specified type(s) of goods or services, and may be for a specified or unspecified duration of time, as deemed fit. The decision of the Competent Authority shall be final.
- G. Registration shall not be granted unless the representatives of the Ministries of Home Affairs and External Affairs on the Committee concur\*.
- H. Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by Central Government and its agencies/ public enterprises etc. but **also for procurement by State Governments and their agencies/ public enterprises etc. No fresh registration at the State level shall be required.**

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- I. The Competent Authority is empowered to cancel the registration already granted if it determines that there is sufficient cause. Such cancellation by itself, however, will not affect the execution of contracts already awarded. Pending cancellation, it may also suspend the registration of a bidder, and the bidder shall not be eligible to bid in any further tenders during the period of suspension.
- J. For national security reasons, the Competent Authority shall not be required to give reasons for rejection / cancellation of registration of a bidder.
- K. In transitional cases falling under para 3 of this Order, where it is felt that it will not be practicable to exclude bidders from a country which shares a land border with India, a reference seeking permission to consider such bidders shall be made by the procuring entity to the Competent Authority, giving full information and detailed reasons. The Competent Authority shall decide whether such bidders may be considered, and if so shall follow the procedure laid down in the above paras.
- L. Periodic reports on the acceptance/ refusal of registration during the preceding period may be required to be sent to the Cabinet Secretariat. Details will be issued separately in due course by DPIIT.

[\*Note:

- i. In respect of application of this Order to procurement by/ under State Governments, all functions assigned to DPIIT shall be carried out by the State Government concerned through a specific department or authority designated by it. The composition of the Registration Committee shall be as decided by the State Government and paragraph G above shall not apply. However, the requirement of **political and security clearance as per para D shall remain and no registration shall be granted without such clearance.**
- ii. Registration granted by State Governments shall be valid only for procurement by the State Government and its agencies/ public enterprises etc. and shall not be valid for procurement in other states or by the Government of India and their agencies/ public enterprises etc.]

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## **Annex II: Special Cases**

- A. Till 31<sup>st</sup> December 2020, procurement of medical supplies directly related to containment of the Covid-19 pandemic shall be exempt from the provisions of this Order.
- B. *Bona fide* procurements made through GeM without knowing the country of the bidder till the date fixed by GeM for this purpose, shall not be invalidated by this Order.
- C. *Bona fide* small procurements, made without knowing the country of the bidder, shall not be invalidated by this Order.
- D. In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this Order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.
- E. This Order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.

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### Annex III

#### Model Clause /Certificate to be inserted in tenders etc.

*(While adhering to the substance of the Order, procuring entities and GeM are free to appropriately modify the wording of the clause/ certificate based on their past experience, local needs etc.)*

#### Model Clauses for Tenders

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.
- II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. "Bidder from a country which shares a land border with India" for the purpose of this Order means: -
  - a. An entity incorporated, established or registered in such a country; or
  - b. A subsidiary of an entity incorporated, established or registered in such a country; or
  - c. An entity substantially controlled through entities incorporated, established or registered in such a country; or
  - d. An entity whose *beneficial owner* is situated in such a country; or
  - e. An Indian (or other) agent of such an entity; or
  - f. A natural person who is a citizen of such a country; or
  - g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above
- IV. The *beneficial owner* for the purpose of (iii) above will be as under:
  1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation—

    - a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;

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- b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
  3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
  4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
  5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI. *[To be inserted in tenders for Works contracts, including Turnkey contracts]* The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

Model Certificate for Tenders (for transitional cases as stated in para 3 of this Order)

*"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country and is eligible to be considered."*

Model Certificate for Tenders

*"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the*

*"/s/*



*Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"*

**Model Certificate for Tenders for Works involving possibility of sub-contracting**

*"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"*

**Model Certificate for GeM:**

*"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this vendor/ bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this vendor/ bidder fulfills all requirements in this regard and is eligible to be considered for procurement on GeM. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"*

\*\*\*\*\*

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**Validity unknown**

Digitally signed by S HARI BABU  
Date: 2021.10.11 16:27:41 IST  
Location: eProcurement System for Central  
PSUs

**APPENDIX X**  
**Undertaking for Operation & Maintenance (O&M) Experience**

Ref.: .....

Dated:.....

To,

.....  
.....

**Sub: Application for Pre-qualification for “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis” – Undertaking for Operation & Maintenance (O&M) Experience**

Dear Sir,

We here by confirm that I/we ..... having registered office at .....will irrevocably enter into an Operation and Maintenance (O&M) agreement with an entity having O&M experience as per the terms of the RFQ document dated .../.../2023 for a period of at least 5 years from the Date of Commercial Operation of the project in accordance with the Clause No. 2.2.3 of RFQ document.

I/We also confirm that the Operations and Maintenance Contractor shall meet with the O&M experience as set forth in Clause No. 2.2.3 RFQ document.

We shall further ensure that the Name and Qualifications of the Operation and Maintenance Contractor shall be provided to Visakhapatnam Port Authority when required to be done so by Visakhapatnam Port for the purpose of evaluation Security Clearance.

Thanking you

Place:

(Signature, name and designation of the Authorised Signatory)

Name and seal of the Applicant/ Lead Member

## ANNEXURE A

### Project Information Memorandum

#### **GENERAL DESCRIPTION OF THE PROJECT:**

Visakhapatnam Port Authority proposes for development and Mechanisation of existing East Quay-6 Berth for handling of all types of cargo by providing Mechanical Handling System in the existing Berth along with other facilities. The scope of the Project broadly involves development of stack yard and installation of Civil and Mechanical / Electrical works, along with installation of one (01) new Mobile Harbour Crane (MHC) (having lifting capacity of 124 Tonnes) with Handling capacity of 1500 TPH.

The berth has undergone two structural upgradations in year 1998 and year 2012. The berth has an immediate backup area of 255 m length and 48.5m width. In addition to the dry bulk and break-bulk cargo being handled at the berth, the shipshore liquid cargo transfer is carried out through 8” or 6” SS flexible hoses with a discharge rate of 200 TPH. At present there is no dedicated equipment for cargo handling for berth EQ-06. The cast iron bollards installed at the berth are having a capacity of 100 Tons. The fenders at EQ-06 are M-type 800H marine fenders are functional.

The existing berth of length 255 mtrs, along with the stack yard of approx. area 10.50 acres shall be handed over to the Concessionaire. The Project envisages handling of about 50,000 DWT capacity Vessels at this Berth. The available draft is 11.50 Mtrs. About 10.50 Acres of Stackyard and about 3.0 Acres of back up area at berth shall be handed over to the Concessionaire for storage of bulk cargo. The details of the Scope of Work along with the cost estimate are available in the TEFR. The proposed Terminal is envisaged to handle 2.62 Million Tonnes of cargo per annum as per the Traffic projections in the TEFR. Since it is proposed to be Semi-Mechanized Terminal with installation of one new Mobile Harbour Crane, the construction period shall be only 15 months. The major cargos envisaged to be handled in the Berth are: Anthracite Coal, Sulphur, Rock Phosphate, Limestone, CP Coke, Ammonium Nitrate, Stone Aggregate, Cement, Iron and Steel. The facility shall be used for both loading and unloading operations. The total Project Cost is Rs.66.12 Crores.

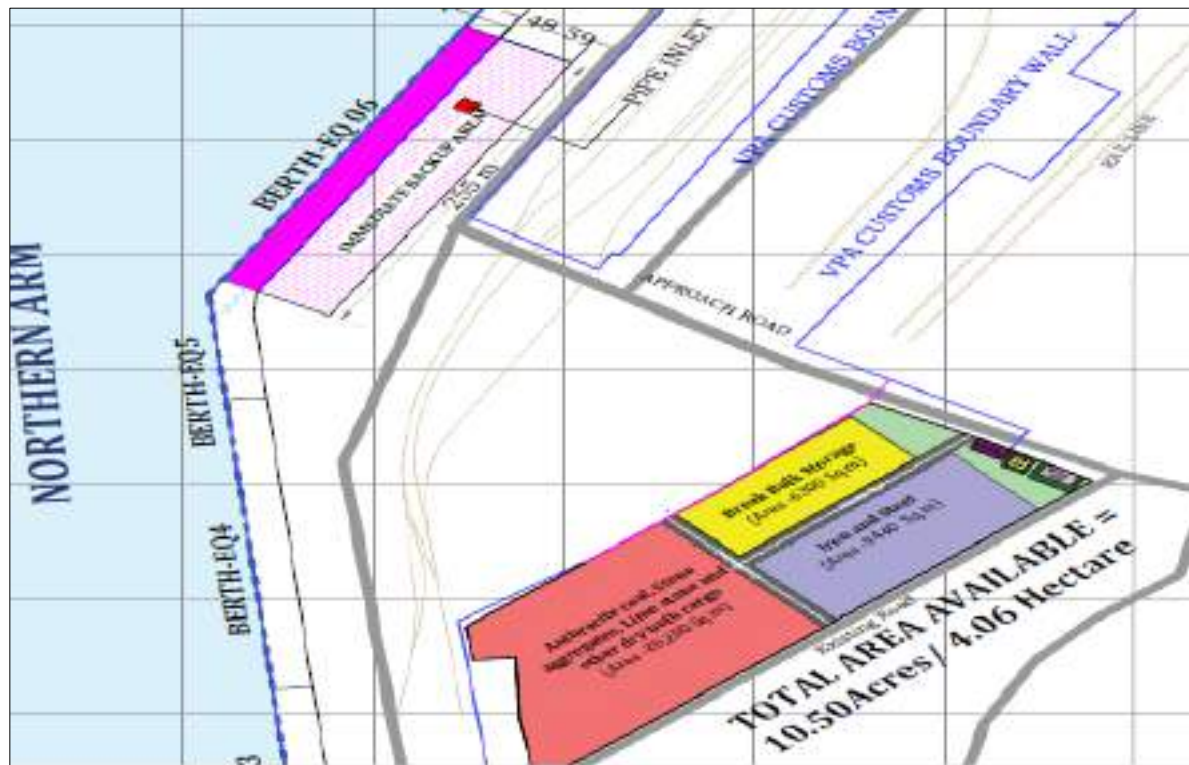
#### **PROJECT LOCATION IN VPT:**



## AERIAL VIEW



## POTENTIAL TRANSPORTATION CORRIDOR ALIGNMENT



*Development and Mechanization of existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for Handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) Basis*



### **SALIENT FEATURES OF THE PROJECT**

Sr. No		Particulars
1.	Location of the Project	EQ-6 Berth in the Inner Harbour of VPA
2.	Capacity proposed	2.62 MTPA
3.	Draft available	11.50 m
4.	Length of the Berth	255 m
5.	Berth Back up area & Stack Yard area	3.0 Acres & 10.50 Acres
6.	Estimated Project Cost	Rs.66.12 Crore
7.	Construction Period	15 months
8.	Concession Period	30 Years

- **Major Cargoes to be handled are:** Anthracite Coal, Sulphur, Rock Phosphate, Limestone, CP Coke, Ammonium Nitrate, and Stone Aggregate, Cement, Iron and Steel
- **Berth** - 1 HMC of 1500 TPH and 1 Mobile Hopper.
- **Yard** – Wheel loaders, Movable Trucks and Fork lifts for carrying cargo from berth to yard.

### **TRAFFIC FORECAST:**

Sr. No.	Cargo	Prospective Industries / Companies	Capacity of Cargo Expected (MTPA)
1	Anthracite coal	Hindalco, India Coke and Power Ltd., Carbon Resources Pvt. Ltd. etc	0.69 MT
2	Rock Phosphate	Bhilai Engineering Corporation limited, Khaira Chemicals & Fertilisers Limited, Chemtech Fertilizers Limited, Subodaya Fertilizers Pvt. Ltd., Ranar Agrochemi Ltd., Coromandel International Ltd.	01.34 MT
3	Sulphur	Coromandel International Limited, Andhra Sugars Ltd., Ranar Agrochemi Ltd., Subodaya Fertilizers Pvt. Ltd., KPR Agrochemical Pvt. Ltd.	0.334 MT

4	Limestone	SAIL, Bhushan Power & Steel Ltd., Wolkem India Pvt Ltd., Sangita Industries Ltd., AMNS Ltd., Essar Steels Ltd.	5.02 MT
5	Ammonium Nitrate	IDL explosives Ltd., Special Blasts Ltd., Solar Industries India Ltd., Black Diamond Explosives Ltd., Ideal Industries Explosives Ltd.	0.802 MT
6	CP Coke	Rain CIII Carbon Ltd., hindalco industries Ltd., Sanvira Industries Ltd.	1.80 MT
7	Stone Aggregate	Various exporting agencies	0.498 MT
8	Iron and Steel Cargo	Jindal Power and Steels Ltd., SAIL, Jindal Steels Ltd., Turakha International Pvt. Ltd.	3.70 MT

**SUMMARY OF TRAFFIC FORECAST FOR EQ-6 (in MTPA)**

Sr. No.	Cargo Particulars	2025	2030	2035	2040	2045	2050	2055
<b>A</b>	<b>Import Cargo</b>							
<b>I</b>	<b>Bulk Cargo - Import</b>	0.33	0.41	0.43	0.44	0.46	0.47	0.49
<b>1</b>	<b>Anthracite Coal</b>	0.012	0.02	0.02	0.02	0.02	0.02	0.02
<b>2</b>	<b>Rock Phosphate</b>	0.03	0.04	0.04	0.04	0.05	0.05	0.06
<b>3</b>	<b>Sulphur</b>	0.052	0.06	0.06	0.07	0.07	0.08	0.09
<b>4</b>	<b>Limestone</b>	0.02	0.06	0.06	0.06	0.06	0.06	0.06
<b>5</b>	<b>CP Coke (Import)</b>	0.12	0.12	0.12	0.12	0.12	0.12	0.12
<b>6</b>	<b>Other Bulk Cargo</b>	0.1	0.12	0.13	0.13	0.14	0.14	0.15
<b>II</b>	<b>Breakbulk Cargo</b>	0.09	0.15	0.18	0.23	0.28	0.33	0.39
<b>1</b>	<b>Ammonium Nitrate</b>	0.08	0.12	0.14	0.18	0.22	0.26	0.31
<b>2</b>	<b>Other Breakbulk Cargo</b>	0.01	0.03	0.04	0.05	0.06	0.07	0.08
	<b>Total Import Cargo</b>	0.42	0.56	0.61	0.67	0.74	0.8	0.88



<b>B</b>	<b>Export Cargo</b>							
<b>I</b>	<b>Bulk Cargo - Conventional</b>	0.3	0.39	0.42	0.45	0.48	0.52	0.57
<b>1</b>	CP Coke (Export)	0.15	0.15	0.15	0.15	0.15	0.15	0.15
<b>2</b>	Stone Aggregate	0.08	0.1	0.12	0.14	0.16	0.19	0.22
<b>3</b>	Other Bulk Cargo	0.07	0.14	0.15	0.16	0.17	0.18	0.2
<b>II</b>	<b>Breakbulk Cargo</b>	0.43	0.64	0.71	0.8	0.91	1.03	1.17
<b>1</b>	Cement	0.05	0.05	0.05	0.05	0.05	0.05	0.05
<b>2</b>	Iron and Steel	0.33	0.52	0.59	0.67	0.77	0.88	1
<b>3</b>	Other Breakbulk Cargo	0.05	0.07	0.07	0.08	0.09	0.1	0.12
	<b>Total Export Cargo</b>	<b>0.73</b>	<b>1.03</b>	<b>1.13</b>	<b>1.25</b>	<b>1.39</b>	<b>1.55</b>	<b>1.74</b>
	<b>Total EXIM Cargo*</b>	<b>1.15</b>	<b>1.59</b>	<b>1.74</b>	<b>1.92</b>	<b>2.13</b>	<b>2.35</b>	<b>2.62</b>



# **Visakhapatnam Port Authority**

## **Request for Proposal (RFP) Document**

**For  
Development and Mechanization of Existing East Quay-6  
(EQ-6) Berth in the Inner Harbour at Visakhapatnam Port  
for handling of all types of Cargoes on Design, Build,  
Finance, Operate and Transfer (DBFOT) basis**

**(TENDER NO. IENG/PPP/EQ-6/RFQ-RFP/2023/07, Dated 26/04/2023)**

**April 2023**

**RFP DOCUMENT COPY NO. \_\_\_\_\_**

**ISSUED TO: - \_\_\_\_\_**

**Issued By -**

**Visakhapatnam Port Authority,  
Visakhapatnam – 530035**

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## Visakhapatnam Port Authority

**TENDER NO. IENG/PPP/EQ-6/RFQ-RFP/2023/07, Dated 26/04/2023**

### **GLOBAL INVITATION OF REQUEST FOR QUALIFICATION and REQUEST FOR PROPOSAL (Single Stage Two Cover)**

for

Selection of private operator for the project of “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis” for a Concession Period of 30 years.

**Visakhapatnam Port Authority (VPA)** (the “**Authority**”) invites Application from interested parties (Applicants) in accordance with the Request For Qualification (RFQ) document and Request for Proposal (RFP) document in order to select the private operator for the project, subject to national security clearance.

**The Authority simultaneously calls for participation of the Bidders towards the second stage of the Bidding Process (the "Bid Stage") comprising Request for Proposals (the “Request for Proposals” or “RFP”).**

RFQ and RFP documents containing instructions to Applicants, Criteria for Evaluation and Selection can be downloaded from the CPP e-tenders Portal, <https://etenders.gov.in> from 26/04/2023 @ 15:00 Hrs to 23/06/2023 @ 15:00 Hrs (IST). RFQ and RFP documents tender Fee together of Rs 47,200/- (Rupees Forty Seven Thousand & Two Hundred only) including GST shall be paid directly online while submitting the RFQ and RFP document in e-tenders portal by the Applicants on or before Application/Bid Due Date in a separate envelope.

The bidders shall upload the copy of the transaction details along with the Technical bid documents RFQ Application for having remitted the tender fee, without which the bid shall be summarily rejected.

The completed Application in the required format containing all information requested in RFQ and RFP documents should be submitted through online in CPP e-tender Portal, <https://etenders.gov.in> and also submit the hard copies by hand delivery or sent by Registered Post/ Speed Post / Courier to reach the office of the Chief Engineer, Civil Engineering Department, Administrative Office Building, 3<sup>rd</sup> Floor, Visakhapatnam Port Authority, Visakhapatnam – 530035 before 1500 Hrs on 23/06/2023 and the same will be opened on 26/06/2023 at 1500 Hrs (IST).

**It must be noted that the Financial Offer i.e RFP Bid shall ONLY be submitted ONLINE. Any Financial Offer submitted along with RFQ Application or in physical form shall be rejected by the Authority.**

Sr. No.	Event Description	Date
1.	<b>Downloading of RFQ &amp; RFP documents online from CPP e-tender Portal, <a href="https://etenders.gov.in">https://etenders.gov.in</a></b>	From 26/04/2023 (IST) 1500 Hrs. to 23/06/2023 up to 1500 Hrs.
2.	Last date for receiving queries on RFQ and RFP	20/05/2023 up to 1530 Hrs. (IST)
3.	Pre-Application / Pre-Bid Conference	25/05/2023 @ 1500 Hrs (IST)
4.	Authority response to queries latest by	09/06/2023
5.	Application & Bid Due Date	23/06/2023 upto 1500 Hrs (IST)
6.	Opening of Application (RFQ) Date	26/06/2023 @ 1530 Hrs (IST)
7.	Opening of Bids (RFP) Date	Will be intimated
8.	Issuance of Letter of Award (LOA)	09/08/2023
9.	Validity of Application and Bids	180 days from Application/Bid Due Date
10.	Signing of Concession Agreement	08/09/2023

*Note:., The Applicant shall be responsible to download Corrigendum /Addendums/ Amendments/ Reply to Queries etc. if any issued by the Port on CPP e-tender Portal, <https://etenders.gov.in>.*

Pre-Application/Pre-Bid Conference is scheduled at 1500 Hrs (IST) on 25/05/2023 at the venue as given below:-

Venue:  
Board Room,  
1<sup>st</sup> Floor, Administrative Office Building,  
Visakhapatnam Port Authority,  
Visakhapatnam – 530035 (AP).

The Authority shall only open the RFP bids for suitable pre-qualified Applicants based on RFQ bid evaluation. The RFP bids of the Applicants who is not qualified as per the RFQ Process shall be returned un-opened.

Chief Engineer,  
Civil Engineering Department,  
Visakhapatnam Port Authority

## **Instructions for Online Bid Submission**

The bidders are required to submit soft copies of their bids electronically on the CPP Portal, using valid Digital Signature Certificates. The RFP document can also be downloaded from the CPP Portal, <https://etenders.gov.in> such Applicants shall submit the cost of the document in the manner specified in the document on or before Application Due Date in a separate envelope.

### **PREPARATION OF BIDS**

- 1) Bidder should take into account any corrigendum published on the tender document before submitting their bids.
- 2) Please go through the tender advertisement and the tender document carefully to understand the documents required to be submitted as part of the bid. Any deviations from these may lead to rejection of the bid.

### **SUBMISSION OF BIDS**

- 1) Bidder should log into the site well in advance for bid submission so that they can upload the bid in time i.e. on or before the Application/Bid submission time. Bidder will be responsible for any delay due to other issues.
- 2) The Bidder has to digitally sign and upload the required bid documents one by one as indicated in the RFP document.
- 3) Bidder has to pay the tender fee which shall be paid directly online while submitting the RFP document in e-tender portal <https://etenders.gov.in>.
- 4) Bidder shall submit "Bid Security" as per the format specified in the RFP Document failing which the bid will be rejected.
- 5) Bidders are requested to note that they should necessarily submit their financial bids in the format provided and no other format is acceptable. If the price bid has been given as a standard BoQ format with the tender document, then the same is to be downloaded and to be filled by all the bidders. Bidders are required to download the BoQ file, open it and complete the white coloured (unprotected) cells with their respective financial quotes and other details (such as name of the bidder). No other cells should be changed. Once the details have been completed, the bidder should save it and submit it online, without changing the filename. If the BoQ file is found to be modified by the bidder, the bid will be rejected.
- 6) The Server Time (which is displayed on the Bidders dashboard) will be considered as the standard time for referencing the deadlines for submission of the bids by the bidders, opening of bids etc. The Bidders should follow this time during bid submission.
- 7) All the documents being submitted by the Bidders would be encrypted using PKI encryption.

techniques to ensure the secrecy of the data. The data entered cannot be viewed by unauthorized persons until the time of Bid opening. The confidentiality of the Bids is maintained using the secured Socket Layer 128 bit encryption technology. Data storage encryption of sensitive fields is done. Any bid document that is uploaded to the server is subjected to symmetric encryption using buyers/bid openers's public keys. Overall, the uploaded tender documents become readable only after the tender opening by the authorised bid openers.

- 8) Upon the successful and timely submission of bids (i.e. after Clicking "Freeze Bid Submission" in the portal), the portal will give a successful bid submission message & a bid summary will be displayed with the bid no. and the date & time of submission of the bid with all other relevant details.
- 9) The bid summary has to be printed and kept as an acknowledgement of the submission of the bid. This acknowledgement may be used as an entry pass for any Application / Bid opening meetings.

### **ASSISTANCE TO BIDDERS**

- 1) Any queries relating to the RFP document and the terms and conditions contained therein should be addressed to the Tender Inviting Authority or the relevant contact person indicated in the tender.
- 2) Any queries relating to the process of online bid submission or queries relating to CPP Portal in general may be directed to the 24x7 CPP Portal Helpdesk.

Chief Engineer  
Civil Engineering Department  
Visakhapatnam Port Authority



**VISAKHAPATNAM PORT AUTHORITY**  
**VISHAKHAPATNAM -530035**

**Letter of Invitation**

Dated \*\*\*\*\*

To,

\_\_\_\_\_  
\_\_\_\_\_

**Sub: RFP for Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis.**

Dear Sir,

Pursuant to your application in response to our Request for Qualification for the above said project (the “**RFQ**”), simultaneously you are required to participate in the Bid Stage and submit your financial proposal (the “**Bid**”) for the aforesaid project in accordance with the RFP duly remitting the necessary RFQ and RFP document process fee together of Rs. 47,200/- (Rupees Forty Seven Thousand Two Hundred only) (non-refundable and including GST @18%) for downloading of RFQ and RFP documents which shall be paid directly Online in CPP e-tender portal <https://etenders.gov.in> while submitting the RFP documents.

You are requested to participate in the Bid Stage and submit your financial proposal (the “**Bid**”) for the aforesaid project in accordance with the RFP.

Please note that the Authority reserves the right to accept or reject all or any of the bids without assigning any reason whatsoever.

Thanking you,

Yours faithfully,

(Signature, name and designation of the Signatory)

## Disclaimer

The information contained in this Request for Proposals document (the “**RFP**”) or subsequently provided to Bidder(s), whether verbally or in documentary or any other form by or on behalf of the Authority (Visakhapatnam Port Trust) or any of its employees or advisors, is provided to Bidder(s) on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement and is neither an offer nor invitation by the Authority to the prospective Bidders or any other person. The purpose of th/is RFP is to provide interested parties with information that may be useful to them in making their financial offers (**Bids**) pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contained in the Bidding Documents, especially the TEF, may not be complete, accurate, adequate or correct. Each Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFP and obtain independent advice from appropriate sources.

Information provided in this RFP to the Bidder(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Authority accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Authority, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant or Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way for participation in this Bid Stage.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this RFP.

The Authority may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFP.

The issue of this RFP does not imply that the Authority is bound to select a Bidder or to appoint the Selected Bidder or Concessionaire, as the case may be, for the Project and the Authority reserves the right to reject all or any of the Bidders or Bids without assigning any reason whatsoever.

The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority or any other costs incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Bidder and the Authority shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

Upon the Major Port Authorities Act, 2021 coming into force, the Concession and the Concessionaire shall be immediately subject to the relevant provisions under the Major Port Authorities Act, 2021 read with the applicable rules (to the extent applicable).

## Glossary

<b>Authority</b>	As defined in Clause 1.1.1
<b>Associate</b>	As defined in Clause 2.1.14
<b>Bank Guarantee</b>	As defined in Clause 2.20.1
<b>Bid(s)</b>	As defined in Clause 1.2.2
<b>Bidders</b>	As defined in Clause 1.2.2
<b>Bidding Documents</b>	As defined in Clause 1.1.7
<b>Bid Due Date</b>	As defined in Clause 1.1.7
<b>Bidding Process</b>	As defined in Clause 1.2.1
<b>Bid Security</b>	As defined in Clause 1.2.4
<b>Bid Stage</b>	As defined in Clause 1.2.1
<b>Concession</b>	As defined in Clause 1.1.5
<b>Concession Agreement</b>	As defined in Clause 1.1.2
<b>Concessionaire</b>	As defined in Clause 1.1.2
<b>Conflict of Interest</b>	As defined in Clause 2.1.14
<b>Damages</b>	As defined in Clause 2.1.14
<b>DBFOT</b>	As defined in Clause 1.1.1
<b>Demand Draft</b>	As defined in Clause 2.20.2
<b>Estimated Project Cost</b>	As defined in Clause 1.1.4
<b>Feasibility Report</b>	As defined in Clause 1.2.3
<b>Government</b>	Government of India
<b>Highest Bidder</b>	As defined in Clause 1.2.6 (b)
<b>LOA</b>	As defined in Clause 3.3.5
<b>Member</b>	Member of a Consortium
<b>PPP</b>	Public Private Partnership
<b>Project</b>	As defined in Clause 1.1.1
<b>Re. or Rs. or INR</b>	Indian Rupee
<b>RFP or Request for Proposals</b>	As defined in the Disclaimer
<b>RFQ</b>	As defined in Clause 2.1.2
<b>Royalty</b>	As defined in Clause 1.2.6
<b>Selected Bidder</b>	As defined in Clause 3.3.1

The words and expressions beginning with capital letters and defined in this document shall, unless repugnant to the context, have the meaning ascribed thereto hereinabove. The words and expressions beginning with capital letters and not defined herein, but defined in the RFQ, shall, unless repugnant to the context, have the meaning ascribed thereto therein.

## **Invitation for Proposals**

**(VISAKHAPATNAM PORT TRUST)**

**1. INTRODUCTION**

**1.1 Background**

- 1.1.1. The Visakhapatnam Port Authority (the “**Authority**”) is engaged in the development of ports and as part of this endeavour, the Authority has decided to undertake “**Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis**” (the “**Project**”) and has, therefore, decided to carry out the bidding process for selection of a private entity as the Bidder to whom the Project may be awarded. A brief description of the Project may be seen in the Feasibility Report of the Project provided as a part of this RFP.

Brief particulars of the Project are as follows:

Name of the Project	Capacity	Estimated Project Cost (In Rs. crore)
<b>Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis</b>	2.62 MTPA	Rs. 66.12 Crore

- 1.1.2. The Selected Bidder, who is either a company incorporated under the Companies Act, 1956/2013 or undertakes to incorporate as such prior to execution of the concession agreement (the “**Concessionaire**”), shall be responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of a long-term concession agreement (the “**Concession Agreement**”) to be entered into between the Selected Bidder and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant hereto.
- 1.1.3. The scope of work broadly includes Design, Build, Finance, Operate, Transfer (DBFOT) and the management, operation and maintenance thereof through Public Private Partnership (the “**PPP**”) mode for Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes. The proposed facility will enable handling about 2.62 MTPA of all Cargoes.

**Brief facilities of the Project is as detailed below:**

**BERTH AND BACKUP AREA**

**I. Mechanical Components**

1. Mobile Harbour Crane – 1 No. (1500 TPH)
2. Mobile Hoppers – 1 No. (150 T)
3. Wheel loaders - 7 Nos
4. Movable trucks - 23 Nos on Rental basis
5. Fork Lifts 5 Nos
6. Dust Suppression system

**STACK YARD**

**I. Civil & Structural Components**

1. Site Grading
2. Internal Roads
3. Storm water drain

**II. Electrical & Instrumentation**

1. Electrical Works

**Berth Specifications:**

Existing EQ-6 berth is of 255 m length to cater to the berthing requirement of up to 200 m LoA with draft up to 11.00 m.

- Compliance with environmental laws during implementation i.e., construction, operation, and maintenance.
- Providing handling facilities for discharge, storage, delivery and receipt, storage, shipment of cargoes duly achieving the standards of performance, safety, etc, as set out in the Concession Agreement and rendering all other services incidental thereon
- Taking custody of Cargo both in terms of Customs Act 1962 and M.P.A act 2021

Note:- For further details, Feasibility Report may be referred by the bidders

- 1.1.4. The estimated cost of the Project (the “**Estimated Project Cost**”) has been specified in Clause 1.1.1 above. The assessment of actual costs, however, will have to be made by the Bidders.

- 1.1.5. The Concession Agreement sets forth the detailed terms and conditions for grant of the concession to the Concessionaire, including the scope of the Concessionaire's services and obligations (the "**Concession**").
- 1.1.6. The statements and explanations contained in this RFP are intended to provide a better understanding to the Bidders about the subject matter of this RFP and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the Concessionaire set forth in the Concession Agreement or the Authority's rights to amend, alter, change, supplement or clarify the scope of work, the Concession to be awarded pursuant to this RFP or the terms thereof or herein contained. Consequently, any omissions, conflicts or contradictions in the Bidding Documents including this RFP are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by the Authority.
- 1.1.7. The Authority shall receive Bids pursuant to this RFP in accordance with the terms set forth in this RFP and other documents to be provided by the Authority pursuant to this RFP, as modified, altered, amended and clarified from time to time by the Authority (collectively the "**Bidding Documents**"), and all Bids shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Bids (the "**Bid Due Date**").

## **1.2 Brief Description of Bidding Process**

- 1.2.1 The Authority has adopted a single-stage bidding process (collectively referred to as the "**Bidding Process**") for selection of the Bidder for award of the Project. The first stage (the "**Qualification Stage**") of the process involved pre-qualification of interested parties/ Consortia in accordance with the provisions of the RFQ.

The Authority simultaneously calls for participation of the bidders towards the second stage of the Bidding Process (the "**Bid Stage**") comprising Request for Proposals (the "**Request for Proposals**" or "**RFP**").

At the end of the RFQ evaluation Qualification Stage, the Authority short-listed Applicants who are eligible for the second stage of the Bidding Process (the "**Bid Stage**") comprising Request for Proposals. The Authority shall only open the RFP bids for these eligible Applicants based on RFQ bid evaluation. The RFP bids of the Applicants who is not qualified/eligible as per the RFQ Process shall be returned un-opened.

The Government of India has issued guidelines (see **Appendix-V** of RFP) for qualification of bidders seeking to acquire stakes in any public sector enterprise through the process of disinvestment. These guidelines shall apply *mutatis mutandis* to this Bidding Process. The Authority shall be entitled to disqualify an Applicant in accordance



with the aforesaid guidelines at any stage of the Bidding Process. Applicants must satisfy themselves that they are qualified to bid, and should give an undertaking to this effect in the form at **Appendix-I**.

- 1.2.2 In the Bid Stage, the aforesaid short-listed Applicants, including their successors, (the **“Bidders”**, which expression shall, unless repugnant to the context, include the Members of the Consortium) are being called upon to submit their financial offers (the **“Bids”**) in accordance with the terms specified in the Bidding Documents. The Bid shall be valid for a period of not less than 180 (one hundred and eighty) days from the date specified in Clause 1.3 for submission of Bids (the **“Bid Due Date”**).
- 1.2.3 The Bidding Documents include the draft Concession Agreement for the Project which is enclosed. The Feasibility Report prepared by the Authority/ Consultants of the Authority (the **“Feasibility Report”**) is also enclosed. Subject to the provisions of Clause 2.1.3, the aforesaid documents and any addenda issued subsequent to this RFP Document, will be deemed to form part of the Bidding Documents.
- 1.2.4 A Bidder is required to deposit, along with its Bid, a bid security of Rs. 1,32,24,000/- (Rupees One Crore Thirty Two Lakhs and Twenty Four Thousand only) (the **“Bid Security”**), refundable not later than 60 (sixty) days from the Bid Due Date, except in the case of the Selected Bidder whose Bid Security shall be retained till it has provided a Performance Security under the Concession Agreement. The Bidders will have an option to provide Bid Security in the form of a Demand Draft or a Bank Guarantee acceptable to the Authority. In case a bank guarantee is provided, its validity period shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. Where a demand draft is provided, its validity shall not be less than 90 (ninety) days from the Bid Due Date, for the purposes of encashment by the Authority. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
- 1.2.5 During the Bid Stage, Bidders are invited to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the Concession including implementation of the Project.
- 1.2.6 Bids are invited for the Project on the basis of highest **Royalty quoted as Rupees per Metric Ton of cargo handled in a month** (the **“Royalty”**) to be paid on the monthly basis to the Authority which would be indexed to as per the variations in the Wholesale Price Index (WPI) annually.

In this RFP, the term **“Highest Bidder”** shall mean the Bidder who is offering the highest Royalty. The concession period and other terms are pre-determined, as indicated in the

draft Concession Agreement, and the Royalty shall constitute the sole criteria for evaluation of Bids. Subject to the provisions of Clause 2.16, the Project will be awarded to the Highest Bidder.

- 1.2.7 Generally, the Highest Bidder shall be the Selected Bidder. The remaining Bidders shall be kept in reserve and may, in accordance with the process specified in Clause 3 of this RFP, be invited to match the Bid submitted by the Highest Bidder in case such Highest Bidder withdraws or is not selected for any reason. In the event that none of the other Bidders match the Bid of the Highest Bidder, the Authority may, in its discretion, either invite fresh Bids from the remaining Bidders or annul the Bidding Process.
- 1.2.8 The Concessionaire shall fix the Tariff based on market conditions and on such other conditions, if any, as may be notified and made applicable by a competent authority, under the provisions of the Tariff Guidelines 2021 for the Future PPP Concessionaires dated 21.12.2021.
- 1.2.9 Further and other details of the process to be followed at the Bid Stage and the terms thereof are spelt out in this RFP.
- 1.2.10 Any queries or request for additional information concerning the RFQ and this RFP shall be submitted in writing by Fax or E-mails to reach the officer designated in Clause 2.11.5 by the specified date. The envelopes/ communication shall clearly bear the following identification/ title:

**“Queries/ Request for Additional Information: RFQ and RFP for Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”.**

### 1.3 Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

Sr. No .	Event Description	Date
1.	Downloading of RFQ & RFP documents online from CPP e-tender Portal, <a href="https://etenders.gov.in">https://etenders.gov.in</a>	From 26/04/2023 (IST) 1500 Hrs. to 23/06/2023 up to 1500 Hrs.
2.	Last date for receiving queries on RFQ and RFP	20/05/2023 up to 1530 Hrs. (IST)
3.	Pre-Application / Pre-Bid Conference	25/05/2023 @ 1500 Hrs (IST)

4.	Authority response to queries latest by	09/06/2023
5.	Application & Bid Due Date	23/06/2023 upto 1500 Hrs (IST)
6.	Opening of Application (RFQ) Date	26/06/2023 @ 1530 Hrs (IST)
7.	Opening of Bids (RFP) Date	Will be intimated
8.	Issuance of Letter of Award (LOA)	09/08/2023
9.	Validity of Application and Bids	180 days from Application/Bid Due Date
10	Signing of Concession Agreement	08/09/2023

#### **1.4 Pre-Bid Conference**

The date, time and venue of the Pre-Application/Pre-Bid Conference shall be:

Date: 25/05/2023

Time: IST 1500 hrs

Venue: Board Room, Administrative Office Building, 1st Floor,  
Visakhapatnam Port Authority, Visakhapatnam-530035.

## 2. INSTRUCTIONS TO BIDDERS

### A. GENERAL

#### 2.1 General Terms of Bidding

- 2.1.1 No Bidder shall submit more than one Bid for the Project. A Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another bid either individually or as a member of any Consortium, as the case may be.
- 2.1.2 Unless the context otherwise requires, the terms not defined in this RFP, but defined in the Request for Qualification document for the Project (the “RFQ”) shall have the meaning assigned thereto in the RFQ.
- 2.1.3 The Feasibility Report of the Project is being provided only as a preliminary reference document by way of assistance to the Bidders who are expected to carry out their own surveys, investigations and other detailed examination of the Project before submitting their Bids. Nothing contained in the Feasibility Report shall be binding on the Authority nor confer any right on the Bidders, and the Authority shall have no liability whatsoever in relation to or arising out of any or all contents of the Feasibility Report.
- 2.1.4 Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft Concession Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under the Concession Agreement.
- 2.1.5 The Bid should be furnished in the format at Appendix–I, clearly indicating the bid amount in both figures and words, in Indian Rupees, and signed by the Bidder’s authorised signatory. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.
- 2.1.6 The Bid shall consist of a Royalty on “per Metric Ton (MT) of cargo handled”, basis which would be indexed as per the variations in the Wholesale Price Index (WPI) annually to be quoted by the Bidder. The Royalty shall be payable by the Concessionaire to the Authority, as per the terms and conditions of this RFP and the provisions of the Concession Agreement.
- 2.1.7 The Bidder shall deposit a Bid Security of Rs. 1,32,24,000/- (Rupees One Crore Thirty Two Lakhs and Twenty Four Thousand only) in accordance with the provisions of this RFP. The Bidder has the option to provide the Bid Security either as a Demand Draft or in the form of E-Bank Guarantee acceptable to the Authority, as per format at **Appendix–II**.

- 2.1.8 The validity period of the Bank Guarantee shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder. Where a demand draft is provided, its validity shall not be less than 90 (ninety) days from the Bid Due Date, for the purposes of encashment by the Authority. The Bid shall be summarily rejected if it is not accompanied by the Bid Security. The Bid Security shall be refundable no later than 60 (sixty) days from the Bid Due Date except in the case of the Selected Bidder whose Bid Security shall be retained till it has provided a Performance Security under the Concession Agreement.
- 2.1.9 The Bidder should submit a Power of Attorney as per the format at **Appendix–III**, authorising the signatory of the Bid to commit the Bidder.
- 2.1.10 In case the Bidder is a Consortium, the Members thereof should furnish a Power of Attorney in favour of the Lead Member in the format at **Appendix–IV**.
- 2.1.11 Any condition or qualification or any other stipulation contained in the Bid shall render the Bid liable to rejection as a non-responsive Bid.
- 2.1.12 The Bid and all communications in relation to or concerning the Bidding Documents and the Bid shall be in English language.
- 2.1.13 The documents including this RFP and all attached documents, provided by the Authority are and shall remain or become the property of the Authority and are transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause 2.1.13 shall also apply *mutatis mutandis* to Bids and all other documents submitted by the Bidders, and the Authority will not return to the Bidders any Bid, document or any information provided along therewith.
- 2.1.14 A Bidder shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as mutually agreed genuine pre-estimated loss and damage likely to be suffered and incurred by the Authority and not by way of penalty for, *inter alia*, the time, cost and effort of the Authority, including consideration of such Bidder’s proposal (the “**Damages**”), without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or the Concession Agreement or otherwise. Without limiting the generality of the above, a Bidder shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:

- i. the Bidder, its Member or Associate (or any constituent thereof) and any other Bidder, its Member or any Associate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding of a Bidder, its Member or an Associate thereof (or any shareholder thereof having a shareholding of more than 5% (five per cent) of the paid up and subscribed share capital of such Bidder, Member or Associate, as the case may be) in the other Bidder, its Member or Associate, is less than 5% (five per cent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in sub-section (72) of section 2 of the Companies Act, 2013. For the purposes of this Clause 2.1.14, indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the “**Subject Person**”) shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and (bb) subject always to sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% of the subscribed and paid up equity shareholding of such intermediary; or
- ii. a constituent of such Bidder is also a constituent of another Bidder; or
- iii. such Bidder, its Member or any Associate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Bidder, its Member or Associate, or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Bidder, its Member or any Associate thereof; or
- iv. such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
- v. such Bidder, or any Associate thereof, has a relationship with another Bidder, or any Associate thereof, directly or through common third party/ parties, that puts either or both of them in a position to have access to each other’s information about, or to influence the Bid of either or each other; or
- vi. such Bidder or any Associate thereof has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.

*Explanation:*

In case a Bidder is a Consortium, then the term Bidder as used in this Clause 2.1.14, shall include each Member of such Consortium.

For purposes of this RFP, Associate means, in relation to the Bidder/ Consortium Member, a person who controls, is controlled by, or is under the common control with such Bidder/ Consortium Member (the “**Associate**”). As used in this definition, the expression “control” means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law.

- 2.1.15 A Bidder shall be liable for disqualification and forfeiture of Bid Security if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Bidder, its Members or any Associate thereof, as the case may be, in any manner for matters related to or incidental to such Project during the Bidding Process or subsequent to the (i) issue of the LOA or (ii) execution of the Concession Agreement. In the event any such adviser is engaged by the Selected Bidder or Concessionaire, as the case may be, after issue of the LOA or execution of the Concession Agreement for matters related or incidental to the Project, then notwithstanding anything to the contrary contained herein or in the LOA or the Concession Agreement and without prejudice to any other right or remedy of the Authority, including forfeiture and appropriation of the Bid Security or Performance Security, as the case may be, which the Authority may have thereunder or otherwise, the LOA or the Concession Agreement, as the case may be, shall be liable to be terminated without the Authority being liable in any manner whatsoever to the Selected Bidder or Concessionaire for the same. For the avoidance of doubt, this disqualification shall not apply where such adviser was engaged by the Bidder, its Member or Associate in the past but its assignment expired or was terminated 6 (six) months prior to the Date of issue of RFQ for the Project. Nor will this disqualification apply where such adviser is engaged after a period of 3 (three) years from the date of commercial operation of the Project.
- 2.1.16 This RFP is not transferable.
- 2.1.17 Any award of Concession pursuant to this RFP shall be subject to the terms of Bidding Documents.
- 2.1.18 The Bidder, in case it does not have the O&M experience specified in Clause 2.2.3 of the RFQ, by submitting its Bid, shall be deemed to acknowledge and agree that for a period of at least 5 (five) years from the date of commercial operation of the Project, it shall enter into an operation & maintenance (O&M) agreement with an entity having the specified experience, failing which the Concession Agreement shall be liable to termination.
- 2.1.19 Integrity Pact (IP) shall cover this RFP throughout its various phases, and IP would be deemed as a part of the contract. The Bidder should sign and submit a ‘Pre-Contract Integrity Pact’ to

be executed between the Bidder and the Authority as per the format at **Appendix-VI**, and shall be submitted along with the Bid Enclosure in the manner provided in this RFP. IP would be implemented through the following Independent External Monitor (“**IEM**”) for this Bid:

Shri. / Smt. -----

Shri. / Smt. -----.

## **2.2 Change in composition of the Consortium**

2.2.1 Where the Bidder is a Consortium, change in composition of the Consortium may be permitted by the Authority during the Bid Stage, only where:

- (a) the Lead Member continues to be the Lead Member of the Consortium;
- (b) the substitute is at least equal, in terms of Technical Capacity or Financial Capacity, to the Consortium Member who is sought to be substituted and the modified Consortium shall continue to meet the pre-qualification and short-listing criteria for Applicants; and
- (c) the new Member(s) expressly adopt(s) the Application already made on behalf of the Consortium as if it were a party to it originally, and is not an Applicant/Member/Associate of any other Consortium bidding for this Project.

2.2.2 Approval for change in the composition of a Consortium shall be at the sole discretion of the Authority and must be approved by the Authority in writing. The Bidder must submit its application for change in composition of the Consortium no later than 15 (fifteen) days prior to the Bid Due Date.

2.2.3 The modified/ reconstituted Consortium shall submit a revised Jt. Bidding Agreement and a Power of Attorney, substantially in the form at **Appendix-IV**, prior to the Bid Due Date.

2.2.4 The option of change in composition of the Consortium which is available under Clause 2.2.1 may be exercised by any Bidder who is either a Consortium or a single entity. In the case of a single entity Bidder adding a Consortium Member at the Bid Stage, the single entity Bidder shall be the Lead Member of the Consortium. Provided, however, that no member of such Consortium shall be a Bidder or the member of a Consortium which has been pre-qualified.

## **2.3 Change in Ownership**

2.3.1 By submitting the Bid, the Bidder acknowledges that it was pre-qualified on the basis of Technical Capacity and Financial Capacity of those of its Consortium Members who shall, until the expiry of 1st (first) anniversary of the date of commercial operation of the Project, hold equity share capital representing not less than 26% (twenty six per cent) of the subscribed and paid-up equity of the Concessionaire. Selected Bidder/Consortium Members together with its/their Associates hold not less than 51% of its issued and paid up equity until expiry of one



(1) year after COD. The Bidder further acknowledges and agrees that the aforesaid obligation shall be the minimum, and shall be in addition to such other obligations as may be contained in the Concession Agreement, and a breach hereof shall, notwithstanding anything to the contrary contained in the Concession Agreement, be deemed to be a breach of the Concession Agreement and dealt with as such thereunder. For the avoidance of doubt, the provisions of this Clause 2.3.1 shall apply only when the Bidder is a Consortium.

- 2.3.2 By submitting the Bid, the Bidder shall also be deemed to have acknowledged and agreed that in the event of a change in control of a Consortium Member or an Associate whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of pre-qualification under and in accordance with the RFQ, the Bidder shall be deemed to have knowledge of the same and shall be required to inform the Authority forthwith along with all relevant particulars about the same and the Authority may, in its sole discretion, disqualify the Bidder or withdraw the LOA from the Selected Bidder, as the case may be. In the event such change in control occurs after signing of the Concession Agreement but prior to Financial Close of the Project, it would, notwithstanding anything to the contrary contained in the Concession Agreement, be deemed to be a breach of the Concession Agreement, and the same shall be liable to be terminated without the Authority being liable in any manner whatsoever to the Concessionaire. In such an event, notwithstanding anything to the contrary contained in the Concession Agreement, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or the Concession Agreement or otherwise.

## **2.4 Cost of Bidding**

The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the Bidding Process. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

## **2.5 Site Visit and Verification of Information**

- 2.5.1 As the Authority simultaneously calls for participation of the Bidders towards the second stage of the Bidding Process (the "**Bid Stage**") comprising Request for Proposals along with the first stage (the "**Qualification Stage**"), Bidders are encouraged to submit their respective Bids after visiting the Project site and ascertaining for themselves the site conditions, traffic, location, surroundings, climate, availability of power, water and other utilities for construction, access to site, handling and storage of materials, weather data, applicable laws and regulations, and any other matter considered relevant by them.
- 2.5.2 It shall be deemed that by submitting a Bid, the Bidder has:
- a) made a complete and careful examination of the Bidding Documents;

- b) received all relevant information requested from the Authority;
- c) accepted the risk of inadequacy, error or mistake in the information provided in the Bidding Documents or furnished by or on behalf of the Authority relating to any of the matters referred to in Clause 2.5.1 above;
- d) satisfied itself about all matters, things and information including matters referred to in Clause 2.5.1 hereinabove necessary and required for submitting an informed Bid, execution of the Project in accordance with the Bidding Documents and performance of all of its obligations thereunder;
- e) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Bidding Documents or ignorance of any of the matters referred to in Clause 2.5.1 hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Authority, or a ground for termination of the Concession Agreement by the Concessionaire;
- f) acknowledged that it does not have a Conflict of Interest; and
- g) agreed to be bound by the undertakings provided by it under and in terms hereof.

2.5.3 The Authority shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to RFP, RFQ, the Bidding Documents or the Bidding Process, including any error or mistake therein or in any information or data given by the Authority.

## **2.6 Verification and Disqualification**

2.6.1 The Authority reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFQ, the RFP or the Bidding Documents and the Bidder shall, when so required by the Authority, make available all such information, evidence and documents as may be necessary for such verification. Any such verification, or lack of such verification, by the Authority shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Authority thereunder.

2.6.2 The Authority reserves the right to reject any Bid, appropriate the Bid Security if :

- a) at any time, a material misrepresentation is made or uncovered, or
- b) the Bidder does not provide, within the time specified by the Authority, the supplemental information sought by the Authority for evaluation of the Bid.

Such misrepresentation/ improper response shall lead to the disqualification of the Bidder. If the Bidder is a Consortium, then the entire Consortium and each Member may be

disqualified / rejected. If such disqualification / rejection occurs after the Bids have been opened and the Highest Bidder gets disqualified / rejected, then the Authority reserves the right to:

- i. invite the remaining Bidders to submit their Bids in accordance with Clauses 3.3.3 and 3.3.4; or
- ii. take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process.

2.6.3 In case it is found during the evaluation or at any time before signing of the Concession Agreement or after its execution and during the period of subsistence thereof, including the Concession thereby granted by the Authority, that one or more of the pre-qualification conditions have not been met by the Bidder, or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Concessionaire either by issue of the LOA or entering into of the Concession Agreement, and if the Selected Bidder has already been issued the LOA or has entered into the Concession Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by the Authority to the Selected Bidder or the Concessionaire, as the case may be, without the Authority being liable in any manner whatsoever to the Selected Bidder or Concessionaire. In such an event, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as Damages, without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or the Concession Agreement, or otherwise.

## **B. DOCUMENTS**

### **2.7 Contents of the RFP**

2.7.1 This RFP comprises the Disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.9.

#### **Invitation for Bids**

- Section 1. Introduction
- Section 2. Instructions to Bidders
- Section 3. Evaluation of Bids
- Section 4. Fraud and Corrupt Practices
- Section 5. Pre-Bid Conference

## Section 6. Miscellaneous

### Appendices

- I. Letter comprising the Bid
- II. Bank Guarantee for Bid Security
- III. Power of Attorney for signing of Bid
- IV. Power of Attorney for Lead Member of Consortium
- V. Guidelines of the Department of Disinvestment
- VI. Pre-Contract Integrity Pact' to be executed between the Bidder and the Authority
- VII. Proforma of the undertaking regarding any payment or illegal gratification made to any person/authority connected with the Bid process so as to influence the Bid process
- VIII. Proforma of the statement disclosing payment made/proposed to be made to the intermediaries in connection with the Bid
- IX. Tariff Guidelines 2021 for the Future PPP Concessionaires

**2.7.2** The draft Concession Agreement and the Feasibility Report provided by the Authority as part of the Bidding Documents shall be deemed to be part of this RFP.

### 2.8 Clarifications

- 2.8.1 Bidders requiring any clarification on the RFP may notify the Authority in writing by speed post/ courier/ special messenger and by e-mail in accordance with Clause 1.2.10. They should send in their queries on or before the date mentioned in the Schedule of Bidding Process specified in Clause 1.3. The Authority shall endeavour to respond to the queries within the period specified therein, but no later than 10 (ten) days prior to the Bid Due Date. The Authority will upload all the queries and its responses thereto in the CPP e-tender Portal, <https://etenders.gov.in> and may also sent to those Applicants who have send their request for queries / clarification through e-Mail without identifying the source of queries.
- 2.8.2 The Authority shall endeavour to respond to the questions raised or clarifications sought by the Bidders. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.
- 2.8.3 The Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by the Authority

shall be deemed to be part of the Bidding Documents. Verbal clarifications and information given by Authority or its employees or representatives shall not in any way or manner be binding on the Authority.

## **2.9 Amendment of RFP**

- 2.9.1 At any time prior to the Bid Due Date, the Authority may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFP by the issuance of Addenda.
- 2.9.2 Any Addendum issued hereunder will be in writing and shall be sent to all the Bidders.
- 2.9.3 In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the Authority may, in its sole discretion, extend the Bid Due Date<sup>§</sup>.

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<sup>§</sup> While extending the Bid Due Date on account of an addendum, the Authority shall have due regard for the time required by Bidders to address the amendments specified therein. In the case of significant amendments, at least 15 (fifteen) days shall be provided between the date of amendment and the Bid Due Date, and in the case of minor amendments, at least 7 (seven) days shall be provided.

## **C. PREPARATION AND SUBMISSION OF BIDS**

### **2.10 Format and Signing of Bid**

- 2.10.1 The Bidder shall provide all the information sought under this RFP. The Authority will evaluate only those Bids that are received in the required formats and complete in all respects.
- 2.10.2 The Bid and its copy shall be typed or written in indelible ink and signed by the authorised signatory of the Bidder who shall also initial each page, in blue ink. In case of printed and published documents, only the cover shall be initialled. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialled by the person(s) signing the Bid.
- 2.10.3 Bidder should attach clearly marked and reference continuation sheets in the event that the state provided in the prescribed forms in the Annexures is in-sufficient. Alternatively, Bidders may format the prescribed forms making due provisions for incorporation of the requested information.

### **2.11 Submission & Uploading of Bids**

- 2.11.1 The Bidder shall submit the Bid in the format specified at **Appendix-I**, as per the provisions of this RFP.
- 2.11.2 The Bidding Process shall consist of below steps:

**Step 1:** Online Bidder registration on CPP website

**Step 2:** Online tender document download from CPP website

**Step 3:** Online submission of RFP documents and submission of Physical Hard copy of the uploaded document with acknowledgement as “**Enclosures of the Bid**”. The documents shall include:

- (a) Bid Security, in the format at Appendix–II;
- (b) Proof of Payment towards Cost of Bid Documents (Payable Online);
- (c) Power of Attorney for signing of Bid in the format at Appendix–III;
- (d) If applicable, the Power of Attorney for Lead Member of Consortium in the format at Appendix–IV;

- (e) Hard copies of the Concession Agreement with each page initialled by the person signing the Bid in pursuance of the Power of Attorney referred to in Clause (c) hereinabove.
- (f) Duly signed 'Pre-Contract Integrity Pact' to be executed between the Bidder and the Authority, as per the proforma at Appendix –VI
- (g) An undertaking that the Bidder has not made any payment or illegal gratification to any person/authority connected with the Bid process so as to influence the Bid process and has not committed any offence under the Prevention of Corruption Act in connection with the Bid, as per the proforma at Appendix -VII;
- (h) A statement disclosing payment made/proposed to be made to the intermediaries in connection with the Bid, as per the proforma at Appendix -VIII. In case no payment is made or proposed to be made a 'Nil' statement shall be enclosed.
- (i) Tariff Guidelines, 2021 for the future PPP Concessionaires issued by Ministry dated 21.12.2021

**Step 4: Documents to be submitted Online only:**

- a) Financial Offer / Proposal
- b) E-Bank Guarantee as Bid Security
- c) Scanned copy of proof of payment towards cost of Bid Documents.
- d) Scanned copy of documents referred in stage 3 herein above

All the above stages are mandatory in order for Bidders to successfully complete the Bidding Process.

**It must be noted that the Financial Offer i.e RFP Bid shall ONLY be submitted ONLINE. Any Financial Offer submitted along with RFQ Application and / or RFP in physical form shall be rejected by the Authority.**

**Bids not accompanied by the documents as per (a) to (i) and the proforma given in Appendices V to VII above shall be rejected.**

2.11.3 The Bidders shall submit their respective Bids online at the Central Public Procurement Portal (CPPP) website <https://etenders.gov.in> only.

2.11.4 All the documents for each submission as per above clause should be uploaded by the Bidders in the form of PDF files in the same order as mentioned, on the e-tendering website during the online Bid submission stage. In case of any discrepancy of information between online and physical submission, then online submission shall be final. The Physical true Hard copy of the documents accompanying the Bid uploaded online as specified in Clause

2.11.2 Step 3 above shall be bound together in hard cover, all the pages shall be numbered serially and placed in an envelope, which shall be sealed.

The envelope shall clearly bear the following identification :

**“COVER / ENVELOPE-2 – “Enclosures of the RFP Bid”: Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”**

and shall clearly indicate the name and address of the Bidder. In addition, the Bid Due Date should be indicated on the right and top corner of the envelope.

The **COVER /ENVELOPE-2 - Enclosures of the RFP Bid along with COVER / ENVELOPE-1 - Application for Qualification** shall then be sealed together in an outer envelope which shall clearly bear the following identification:

**Submission of RFQ & RFP for “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”** and shall clearly indicate the name and address of the Applicant. In addition, the Application Due Date should be indicated on the right hand corner of the envelope.

**It must be noted that the Financial Offer i.e RFP Bid shall ONLY be submitted ONLINE. Any Financial Offer submitted along with RFQ Application and / or RFP in physical form shall be rejected by the Authority.**

2.11.5 Submission of Physical copy envelope shall be addressed to:

ATTN. OF:	Mr. A. Venu Prasad
DESIGNATION	CHIEF ENGINEER CIVIL ENGINEERING DEPARTMENT
ADDRESS:  Mobile No	ADMINISTRATIVE OFFICE BUILDING, 3 <sup>rd</sup> FLOOR, VISAKHAPATNAM PORT AUTHORITY, VISAKHAPATNAM-530035. +91-891-2873353
E-MAIL ADDRESS	cevizagport@gmailcom/ ce.avp.vpt@gov.in

2.11.6 If the envelopes are not sealed and marked as instructed above, the Authority assumes no responsibility for the misplacement or premature opening of the contents of the Bid submitted and consequent losses, if any, suffered by the Bidder.

2.11.7 Bids submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.



## **2.12 Tender Document Purchase and Download**

- 2.12.1 The RFP document/ bid document will be uploaded / released on Government of India, CPP e-tender portal <https://etenders.gov.in>. RFP Document/bid document and supporting documents can be downloaded from the CPP e-tender Portal.
- 2.12.2 Bidders shall make payment of a non-refundable RFQ and RFP documents Process fee together of INR Rs. 47,200/- (Rupees Forty Seven Thousand Two Hundred only) including GST online in e-tender CPP portal <https://etenders.gov.in>.while submitting the RFP Document.
- 2.12.3 The Proposals also need to be accompanied with a Bid Security. Bids unaccompanied with the Bid Security will be summarily rejected.
- 2.12.4 The Bid documents will be available online only. Bid documents will not be sold / issued manually from office.
- 2.12.5 The Bidders are required to download the RFP Document/bid documents within the prescribed date & time mentioned in online tender schedule. After expiry of the date and time for tender document download, the Authority shall not be responsible for any such failure on account of Bidders for not downloading the document within the schedule even though they have paid the cost of the tender to the Authority. In such case the cost of the RFP document/bid document paid by the Bidders will not be refunded.

## **2.13 Bid Due Date**

- 2.13.1 Bids should be submitted before 1500 hours IST on the Bid Due Date in the manner and form as detailed in this RFP. A receipt thereof should be obtained from the person specified at Clause 2.11.5.
- 2.13.2 The Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.9 uniformly for all Bidders.

## **2.14 Late Bids**

Bids will not be accepted by the e-tendering system (or the Authority) after the specified time on the Bid Due Date shall not be eligible for consideration and shall be summarily rejected.

## **2.15 Contents of the Bid**

- 2.15.1 The Bid shall be furnished in the format at **Appendix–I** and shall consist of a Royalty on “per Metric Ton (MT) of cargo handled” basis to be quoted by the Bidder, which would be indexed as per the variations in the Wholesale Price Index (WPI) annually. The Bidder shall specify the Royalty offered by him, to undertake the Project in accordance with this RFP and the provisions of the Concession Agreement.
- 2.15.2 Generally, the Project will be awarded to the Highest Bidder.
- 2.15.3 The opening of Bids and acceptance thereof shall be substantially in accordance with this RFP.
- 2.15.4 The proposed Concession Agreement shall be deemed to be part of the Bid.

## **2.16 Modifications/ Substitution/ Withdrawal of Bids**

- 2.16.1 The Bidder may modify, substitute or withdraw its Bid after submission, provided that written notice of the modification, substitution or withdrawal is received by the Authority prior to the Bid Due Date. No Bid shall be modified, substituted or withdrawn by the Bidder on or after the Bid Due Date.
- 2.16.2 The modification, substitution or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 2.11, with the envelopes being additionally marked “MODIFICATION”, “SUBSTITUTION” or “WITHDRAWAL”, as appropriate.
- 2.16.3 Any alteration/ modification in the Bid or additional information supplied subsequent to the Bid Due Date, unless the same has been expressly sought for by the Authority, shall be disregarded.

## **2.17 Rejection of Bids**

- 2.17.1 Notwithstanding anything contained in this RFP, the Authority reserves the right to reject any Bid and to annul the Bidding Process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor. In the event that the Authority rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.
- 2.17.2 The Authority reserves the right not to proceed with the Bidding Process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

## **2.18 Validity of Bids**

The Bids shall be valid for a period of not less than 180 (one hundred and eighty) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and the Authority.

## **2.19 Confidentiality**

Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Authority in relation to, or matters arising out of, or concerning the Bidding Process. The Authority will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. The Authority may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the Authority or as may be required by law or in connection with any legal process.

## **2.20 Correspondence with the Bidder**

Save and except as provided in this RFP, the Authority shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

## D. BID SECURITY

### 2.21 Bid Security

- 2.21.1 The Bidder shall furnish as part of its Bid, a Bid Security referred to in Clauses 2.1.7 and 2.1.8 hereinabove only in the form of a E- Bank Guarantee issued by a nationalised bank, or a Scheduled Bank in India having a net worth of at least Rs. 1,000 crore (Rs. one thousand crore), in favour of the Authority **Beneficiary Bank: ICICI Bank, Account No. 6005008974, IFSC: ICIC0000060, Unique Code: VPT521470257** in the format at Appendix-II (the “**Bank Guarantee**”) and having a validity period of not less than 180 (one hundred eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. In case the Bank Guarantee is issued by a foreign bank outside India, confirmation of the same by any nationalised bank in India is required. For the avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.
- 2.21.2 Bid Security can also be in the form of a demand draft issued by a Scheduled Bank in India, drawn in favour of the Authority and payable at Visakhapatnam (the “**Demand Draft**”). The Authority shall not be liable to pay any interest on the Bid Security deposit so made and the same shall be interest free.
- 2.21.3 Any Bid not accompanied by the Bid Security shall be summarily rejected by the Authority as non-responsive.
- 2.21.4 Save and except as provided in Clauses 1.2.4 and 1.2.5 above, the Bid Security of unsuccessful Bidders will be returned by the Authority, without any interest, as promptly as possible on acceptance of the Bid of the Selected Bidder or when the Bidding process is cancelled by the Authority, and in any case within 60 (sixty) days from the Bid Due Date. Where Bid Security has been paid by demand draft, the refund thereof shall be in the form of an account payee demand draft in favour of the unsuccessful Bidder(s). Bidders may by specific instructions in writing to the Authority give the name and address of the person in whose favour the said demand draft shall be drawn by the Authority for refund, failing which it shall be drawn in the name of the Bidder and shall be mailed to the address given on the Bid.
- 2.21.5 The Selected Bidder’s Bid Security will be returned, without any interest, upon the Concessionaire signing the Concession Agreement and furnishing the Performance Security in accordance with the provisions thereof. The Authority may, at the Selected Bidder’s option, adjust the amount of Bid Security in the amount of Performance Security to be provided by him in accordance with the provisions of the Concession Agreement.

2.21.6 The Authority shall be entitled to forfeit and appropriate the Bid Security work as Damages *inter alia* in any of the events specified in Clause 2.21.7 herein below. The Bidder, by submitting its Bid pursuant to this RFP, shall be deemed to have acknowledged and confirmed that the Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the period of Bid validity as specified in this RFP.

**2.21.7** The Bid Security shall be forfeited as Damages specified under clause 2.21.6 or clause 4.2 of the RFP, as the case may be, by the Authority as damages payable to the Authority for, inter-alia, time cost and effort of the Authority without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or under the Concession Agreement, or otherwise, if

- (a) a Bidder submits a non-responsive Bid;
- (b) a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Clause 4 of this RFP;
- (c) a Bidder withdraws its Bid during the period of Bid validity as specified in this RFP and as extended by mutual consent of the respective Bidder(s) and the Authority;
- (d) the Selected Bidder fails within the specified time limit -
  - (i) to sign and return the duplicate copy of LOA; or
  - (ii) to sign the Concession Agreement; or
  - (iii) to furnish the Performance Security within the period prescribed therefor in the Concession Agreement.
- (e) the Selected Bidder, having signed the Concession Agreement, commits any breach thereof prior to furnishing the Performance Security.

### **3. EVALUATION OF BIDS**

#### **3.1 Opening and Evaluation of Bids**

- 3.1.1 The Authority shall open the Bids at IST 1500 hours on the Bid Opening Date, at the place specified in Clause 2.11.5 and in the presence of the Bidders who choose to attend.

The Authority shall only open the RFP bids for suitable pre-qualified Applicants based on RFQ bid evaluation. The RFP bids of the Applicants who is not qualified as per the RFQ Process shall be returned un-opened.

- 3.1.2 The Authority will subsequently examine and evaluate the Bids in accordance with the provisions set out in this Section 3.
- 3.1.3 To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.

#### **3.2 Tests of responsiveness**

- 3.2.1 Prior to evaluation of Bids, the Authority shall determine whether each Bid is responsive to the requirements of this RFP. A Bid shall be considered responsive if:

- (a) it is received as per the format at Appendix-I;
- (b) it is received by the Bid Due Date including any extension thereof pursuant to Clause 2.13.2;
- (c) it is signed, sealed, bound together in hard cover and marked as stipulated in Clauses 2.10 and 2.11;
- (d) it is accompanied by the Bid Security as specified in Clause 2.1.7;
- (e) it is accompanied by the Power(s) of Attorney as specified in Clauses 2.1.9 and 2.1.10, as the case may be;
- (f) it contains all the information (complete in all respects) as requested in this RFP and/or Bidding Documents (in formats same as those specified) including 'Pre-Contract Integrity Pact' as per Appendix-VI;
- (g) it does not contain any condition or qualification; and
- (h) it is not non-responsive in terms hereof.

- 3.2.2 The Authority reserves the right to reject any Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority

in respect of such Bid. Provided, however, that the Authority may, in its discretion, allow the Bidder to rectify any infirmities or omissions if the same do not constitute a material modification of the Bid.

### 3.3 Selection of Bidder

- 3.3.1 Subject to the provisions of Clause 2.16.1, the Bidder whose Bid is adjudged as responsive in terms of Clause 3.2.1 and who quotes the highest Royalty offered to the Authority, shall ordinarily be declared as the selected Bidder (the “**Selected Bidder**”). In the event that the Authority rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.
- 3.3.2 In the event that two or more Bidders quote the same amount of Royalty (the “**Tie Bidders**”), the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.
- 3.3.3 In the event that the Highest Bidder withdraws or is not selected for any reason in the first instance (the “**first round of bidding**”), the Authority may invite all the remaining Bidders to revalidate or extend their respective Bid Security, as necessary, and match the Bid of the aforesaid Highest Bidder (the “**second round of bidding**”). If in the second round of bidding, only one Bidder matches the Highest Bidder, it shall be the Selected Bidder. If two or more Bidders match the said Highest Bidder in the second round of bidding, then the Bidder whose Bid was higher as compared to other Bidder(s) in the first round of bidding shall be the Selected Bidder. For example, if the third and fifth highest Bidders in the first round of bidding offer to match the said Highest Bidder in the second round of bidding, the said third highest Bidder shall be the Selected Bidder.
- 3.3.4 In the event that no Bidder offers to match the Highest Bidder in the second round of bidding as specified in Clause 3.3.3, the Authority may, in its discretion, invite fresh Bids (the “**third round of bidding**”) from all Bidders except the Highest Bidder of the first round of bidding, or annul the Bidding Process, as the case may be. In case the Bidders are invited in the third round of bidding to revalidate or extend their Bid Security, as necessary, and offer fresh Bids, they shall be eligible for submission of fresh Bids provided, however, that in such third round of bidding only such Bids shall be eligible for consideration which are higher than the Bid of the second highest Bidder in the first round of bidding.
- 3.3.5 After selection, a Letter of Award (the “**LOA**”) shall be issued, in duplicate, by the Authority to the Selected Bidder and the Selected Bidder shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. In the event the duplicate copy of the LOA duly signed by the Selected Bidder is not received by the stipulated date, the Authority may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such bidder as Damages on

account of failure of the Selected Bidder to acknowledge the LOA, and the next eligible Bidder may be considered.

- 3.3.6 After acknowledgement of the LOA as aforesaid by the Selected Bidder, it shall cause the Concessionaire to execute the Concession Agreement within the period prescribed in Clause 1.3. The Selected Bidder shall not be entitled to seek any deviation, modification or amendment in the Concession Agreement.

### **3.4 Contacts during Bid Evaluation**

Bids shall be deemed to be under consideration immediately after they are opened and until such time the Authority makes official intimation of award/ rejection to the Bidders. While the Bids are under consideration, Bidders and/ or their representatives or other interested parties are advised to refrain, save and except as required under the Bidding Documents, from contacting by any means, the Authority and/ or their employees/ representatives on matters related to the Bids under consideration.

### **3.5 Bid Parameter**

- 3.5.1 The Bid shall comprise a Royalty, to be quoted by the Bidder in accordance with the provisions of this document.



## 4. FRAUD AND CORRUPT PRACTICES

- 4.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOA and during the subsistence of the Concession Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Concession Agreement, the Authority may reject a Bid, withdraw the LOA, or terminate the Concession Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder or Concessionaire, as the case may be, if it determines that the Bidder or Concessionaire, as the case may be, has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, and or forfeit and appropriate the Performance Security, as Damages, without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or the Concession Agreement, or otherwise.
- 4.2 Without prejudice to the rights of the Authority under Clause 4.1 hereinabove and the rights and remedies which the Authority may have under the LOA or the Concession Agreement, or otherwise if a Bidder or Concessionaire, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, or after the issue of the LOA or the execution of the Concession Agreement, such Bidder or Concessionaire shall not be eligible to participate in any tender or RFP issued by the Authority during a period of 2 (two) years from the date such Bidder or Concessionaire, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 4.3 For the purposes of this Clause 4, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) **“corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly, with the Bidding Process or the LOA or has dealt with matters concerning the Concession Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) save and except as permitted under the Clause 2.1.15 of this RFP, engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Concession Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Concession Agreement, who at any time

has been or is a legal, financial or technical adviser of the Authority in relation to any matter concerning the Project;

- (b) “**fraudulent practice**” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;
- (c) “**coercive practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;
- (d) “**undesirable practice**” means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- (e) “**restrictive practice**” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

4.4 Independent External Monitor (IEM): The Bidder shall execute the Integrity Pact Agreement with VPA in the format provided in Appendix VI. The Following Independent External Monitor is hereby nominated:

Shri. / Smt. -----

Shri. / Smt. -----.

## **5. PRE-BID CONFERENCE**

- 5.1 Pre-Bid Conference(s) of the Bidders shall be convened at the designated date, time and place as specified in Clause 1.4. In case Pre-Bid Conference will be conducted online and link will be send to the participants requested for online participation and link to attend the Pre-Bid Conference. Bidders also can choose to appear at Vizag Port for physical meeting. In such case, a maximum of three representatives of each Bidder shall be allowed to participate on production of authority letter from the Bidder.
- 5.2 During the course of Pre-Bid Conference(s), the Bidders will be free to seek clarifications and make suggestions for consideration of the Authority. The Authority shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.

## 6. MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts in the State in which the Authority has its headquarters shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
  - (b) consult with any Bidder in order to receive clarification or further information;
  - (c) retain any information and/ or evidence submitted to the Authority by, on behalf of, and/ or in relation to any Bidder; and/ or
  - (d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the Bidding Process and waives, to the fullest extent permitted by applicable laws, any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.
- 6.4 The Bidding Documents and RFQ are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this RFP, in the event of any conflict between them the priority shall be in the following order:
- (a) the Bidding Documents;
  - (b) the RFQ.
- i.e. the Bidding Documents at (a) above shall prevail over the RFQ at (b) above.

## **APPENDICES**

**Appendix-I**  
**Letter Comprising the Bid**  
*(Refer Clauses 2.1.5 and 2.15)*

Dated:

To,

.....  
.....  
.....

**Sub: Bid for “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis”**

Dear Sir,

1. With reference to your RFP document dated .....\*, I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.
2. I/ We acknowledge that the Authority will be relying on the information provided in the Bid and the documents accompanying the Bid for selection of the Concessionaire for the aforesaid Project, and we certify that all information provided therein is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the Bid are true copies of their respective originals.
3. This statement is made for the express purpose of our selection as Concessionaire for the development, construction, operation and maintenance of the aforesaid Project.
4. I/ We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Bid.
5. I/ We acknowledge the right of the Authority to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
6. I/ We certify that in the last three years, we/ any of the Consortium Members<sup>£</sup> or our/ their Associates have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or

---

\* All blank spaces shall be suitably filled up by the Applicant to reflect the particulars relating to each Applicant.

<sup>£</sup> If the Bidder is not a Consortium, the provisions applicable to Consortium may be omitted.

judicial authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.

7. I/ We declare that:
  - a) I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authority; and
  - b) I/ We do not have any conflict of interest in accordance with Clauses 2.1.14 and 2.1.15 of the RFP document; and
  - c) I/ We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFP document, in respect of any tender or request for proposals issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
  - d) I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 4 of the RFP, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice; and
  - e) the undertakings given by us along with the Application in response to the RFQ for the Project were true and correct as on the date of making the Application and are also true and correct as on the Bid Due Date and I/we shall continue to abide by them.
8. I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with Clause 2.17 of the RFP document.
9. I/ We believe that we/ our Consortium satisfy(s) the Net Worth criteria and meet(s) the requirements as specified in the RFQ document.
10. I/ We declare that we/ any Member of the Consortium, or our/ its Associates are not a Member of a/ any other Consortium submitting a Bid for the Project.
11. I/ We certify that in regard to matters other than security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.

12. I/ We further certify that in regard to matters relating to security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.
13. I/ We further certify that no investigation by a regulatory authority is pending either against us or against our Associates or against our CEO or any of our directors/ managers/ employees.<sup>£</sup>
14. I/ We further certify that we are not disqualified in terms of the additional criteria specified by the Department of Disinvestment in their OM No. 6/4/2001-DD-II dated July 13, 2001, a copy of which forms part of the RFP at Appendix-V thereof.
15. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the guidelines referred to above, we shall intimate the Authority of the same immediately.
16. I/ We acknowledge and undertake that our Consortium was pre-qualified and short-listed on the basis of Technical Capacity and Financial Capacity of those of its Members who shall, for a period of 1 (one) year from the date of commercial operation of the Project, hold equity share capital not less than 26% (twenty six per cent) of the subscribed and paid-up equity of the Concessionaire. We further agree and acknowledge that the aforesaid obligation shall be in addition to the obligations contained in the Concession Agreement in respect of Change in Ownership.
17. I/ We acknowledge and agree that in the event of a change in control of an Associate whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of short-listing and pre-qualification under and in accordance with the RFQ, I/We shall inform the Authority forthwith along with all relevant particulars and the Authority may, in its sole discretion, disqualify our Consortium or withdraw the Letter of Award, as the case may be. I/We further acknowledge and agree that in the event such change in control occurs after signing of the Concession Agreement but prior to Financial Close of the Project, it would, notwithstanding

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<sup>£</sup> In case the Bidder is unable to provide certification regarding any pending investigation as specified in paragraph 13, it may precede the paragraph by the words viz. "Except as specified in Schedule ..... hereto". The exceptions to the certification or any disclosures relating thereto may be clearly stated in a Schedule to be attached to the Application. The Authority will consider the contents of such Schedule and determine whether or not the exceptions/disclosures are material to the suitability of the Bidder for award hereunder.<sup>†</sup> While submitting the Appendix I original in hard copy and online along with Enclosure of the Bid, "Quoted online" to be mentioned instead.



anything to the contrary contained in the Agreement, be deemed a breach thereof, and the Concession Agreement shall be liable to be terminated without the Authority being liable to us in any manner whatsoever.

18. I/ We understand that the Selected Bidder shall either be an existing Company incorporated under the Indian Companies Act, 1956/ 2013, or shall incorporate as such prior to execution of the Concession Agreement.
19. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
20. In the event of my/ our being declared as the Selected Bidder, I/we agree to enter into a Concession Agreement in accordance with the draft that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
21. I/ We have studied all the Bidding Documents carefully and also surveyed the project site and the traffic. We understand that except to the extent as expressly set forth in the Concession Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the Authority or in respect of any matter arising out of or relating to the Bidding Process including the award of Concession.
22. **I/ We submit a Bid Security of Rs..... (Rupees ..... only)**  
to the Authority in accordance with the RFP Document.
23. The Bid Security in the form of a Demand Draft/ Bank Guarantee (strike out whichever is not applicable) is attached.
24. The documents accompanying the Bid, as specified in Clause 2.11.2 of the RFP, have been submitted in a separate envelope and marked as “Enclosures of the Bid”.
25. I/ We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/we shall have any claim or right of whatsoever nature if the Project / Concession is not awarded to me/us or our Bid is not opened or rejected.
26. The Royalty has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP, draft Concession Agreement, our own estimates of costs and traffic and after a careful assessment of the site and all the conditions that may affect the project cost and implementation of the Project.

27. I/ We agree and undertake to abide by all the terms and conditions of the RFP document.
28. { We, the Consortium Members agree and undertake to be jointly and severally liable for all the obligations of the Concessionaire under the Concession Agreement till occurrence of Financial Close in accordance with the Concession Agreement. }
29. I/ We shall keep this offer valid for 120 (one hundred and twenty) days from the Bid Due Date specified in the RFP.
30. I/ We hereby submit our Bid and offer a Royalty quoted “per Metric Ton (MT) of cargo handled” basis which would be indexed to as per the variations in the Wholesale Price Index (WPI) annually is Rs.....<sup>†</sup>(Rupees in words) as share of the Authority for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement:

In witness thereof, I/we submit this Bid under and in accordance with the terms of the RFP document.

Yours faithfully,

Date: (Signature, name and designation of the Authorised signatory)

Place: Name and seal of Bidder/Lead Member

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<sup>†</sup> While submitting the Appendix I original in hard copy and online along with Enclosure of the Bid, “Quoted online” to be mentioned instead.

**Appendix-II**  
**E-Bank Guarantee for Bid Security**  
*(Refer Clause 2.1.7 and 2.21)*

B.G. No. \_\_\_\_\_

Dated: \_\_\_\_\_

1. In consideration of you, \_\_\_\_\_, having its office at \_\_\_\_\_, (hereinafter referred to as the “Authority”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of \_\_\_\_\_ (a company registered under the Companies Act, 1956/2013) and having its registered office at \_\_\_\_\_ (and acting on behalf of its Consortium) (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for the \_\_\_\_\_ Project on [DBFOT] basis (hereinafter referred to as “the Project”) pursuant to the RFP Document dated \_\_\_\_\_ issued in respect of the Project and other related documents including without limitation the draft development agreement (hereinafter collectively referred to as “Bidding Documents”), we (Name of the Bank) having our registered office at \_\_\_\_\_ and one of its branches at \_\_\_\_\_ (hereinafter referred to as the “Bank”), at the request of the Bidder, do hereby in terms of Clause 2.1.7 read with Clause 2.1.8 of the RFP, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Authority an amount of Rs. .... (Rupees. .... Only) as bid security (hereinafter referred to as the “Guarantee”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfil or comply with all or any of the terms and conditions contained in the said Bidding Documents.
2. Any such written demand made by the Authority stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Authority is disputed by the Bidder or not merely on the first demand from the Authority stating that the amount claimed is due to the Authority by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable

by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. .... (Rupees .....only).

4. This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
5. We, the Bank, further agree that the Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, *inter alia*, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other authority.
6. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.
7. In order to give full effect to this Guarantee, the Authority shall be entitled to treat the Bank as the principal debtor. The Authority shall have the full liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to the Authority, and the Bank shall not be released from its liability under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Authority or any indulgence by the Authority to the said Bidder or by any change in the constitution of the Authority or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.

9. We undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch which shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for the Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Authority may have obtained from the said Bidder or any other person and which shall, at the time when obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Authority in writing.
12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorized and has full power to execute this Guarantee for and on behalf of the Bank.
13. For the avoidance of doubt, the Bank's liability under this Guarantee shall be restricted to Rs. .... (Rupees ..... only). The Bank shall be liable to pay the said amount or any part thereof only if the Authority serves a written claim on the Bank in accordance with paragraph 9 hereof, on or before [..... (indicate date falling 180 days after the Bid Due Date)].

Signed and Delivered by .....Bank

By the hand of Mr./Ms ....., its .....and authorised official.

(Signature of the Authorised Signatory)

(Official Seal)

**Appendix-III**  
**Power of Attorney for Signing of Bid**  
*(To be submitted in original)*  
*(Refer Clause 2.1.9)*

**Know all men by these presents, We, .....  
(name of the firm and address of the registered office) do hereby  
irrevocably constitute, nominate, appoint and authorise Mr. /  
Ms..... (Name), son/daughter/wife of  
..... and presently residing at  
....., who is presently employed with us/  
the Lead Member of our Consortium and holding the position of  
....., as our true and lawful attorney  
(hereinafter referred to as the “Attorney”) to do in our name and on  
our behalf, all such acts, deeds and things as are necessary or  
required in connection with or incidental to submission of our bid  
for the Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the  
Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build,  
Finance, Operate and Transfer (DBFOT) basis, for the Project proposed or being developed  
by the Visakhapatnam Port Authority (the “Authority”) including but not limited to signing  
and submission of all applications, bids and other documents and writings, participate in bidders'  
and other conferences and providing information / responses to the Authority, representing us in  
all matters before the Authority, signing and execution of all contracts including the Concession  
Agreement and undertakings consequent to acceptance of our bid, and generally dealing with the  
Authority in all matters in connection with or relating to or arising out of our bid for the said  
Project and/or upon award thereof to us and/or till the entering into of the Concession Agreement  
with the Authority.**

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and  
things done or caused to be done by our said Attorney pursuant to and in exercise of the powers  
conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney  
in exercise of the powers hereby conferred shall and shall always be deemed to have been done  
by us.

IN WITNESS WHEREOF WE, ....., THE ABOVE NAMED PRINCIPAL  
HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF  
....., 20.....

For.....

(Signature, name, designation and address)

Witnesses:

- 1.
- 2.

Appendix III

Page 2

Accepted

Notarised

(Signature, name, designation and address  
of the Attorney)

**Notes:**

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

**Appendix- IV**  
**Power of Attorney for Lead Member of Consortium**  
*(To be submitted in original)*  
*(Refer Clause 2.1.10)*

Whereas the **Visakhapatnam Port Authority** (the “**Authority**”) has invited bids from pre-qualified and short-listed parties for **Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis** (the “**Project**”).

Whereas, ....., ..... and ..... (collectively the “**Consortium**”) being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposals and other connected documents in respect of the Project, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s bid for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, ..... having our registered office at ....., M/s. ...., having our registered office at ....., and M/s. ...., having our registered office at ....., (hereinafter collectively referred to as the “**Principals**”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s. ...., having its registered office at ....., being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “**Attorney**”) and hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and, in the event the Consortium is awarded the Concession/ Contract, during the execution of the Project, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its bid for the Project, including but not limited to signing and submission of all applications, bids and other documents and writings, accept the Letter of Award, participate in bidders’ and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s bid for the Project and/ or upon award thereof till the Concession Agreement is entered into with the Authority.



AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ....., 20....

For .....

(Signature, Name & Title)

For .....

(Signature, Name & Title)

For .....

(Signature, Name & Title)

(Executants)

(To be executed by all the Members of the Consortium)

Witnesses:

1.

2.

**Notes:**

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

**Appendix-V**  
**Guidelines of the Department of Disinvestment**  
(Refer Clause 1.2.1)

No. 6/4/2001-DD-II  
Government of India  
Department of Disinvestment

Block 14, CGO Complex  
New Delhi.  
Dated 13<sup>th</sup> July 2001.

**OFFICE MEMORANDUM**

**Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment**

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification/disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- (a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. Grave offence is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government of India.
- (b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government/ conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken, based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/ persons.
- (c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.

- (d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- (e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- (f) Before disqualifying a concern, a Show Cause Notice why it should not be disqualified would be issued to it and it would be given an opportunity to explain its position.
- (g) Henceforth, these criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern or against its CEO or any of its Directors/ Managers/ employees, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be obtained along with EOI.

sd/-

**(A.K. Tewari)**

**Under Secretary to the Government of India**

## **Appendix – VI**

### **Proforma of Pre-Integrity Pact**

#### **General**

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on \_\_\_\_\_ day of the month of 20\_\_ , between, on one hand, the Board of Trustees of Visakhapatnam Port Authority acting through Mr....., Visakhapatnam Port Authority (hereinafter called the 'CONCESSIONING AUTHORITY', which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part

and

M/s.....represented by .....(hereinafter called the "BIDDER/CONCESSIONAIRE" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the CONCESSIONING AUTHORITY has invited bids for the project of “Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis” (hereinafter referred to as the “PROJECT”) and the “BIDDER/ CONCESSIONAIRE” is submitting its Bid for the Project, and

WHEREAS the BIDDER is a Private Limited Company/ Public Limited Company/ Government undertaking/ registered partnership firm/ Joint Venture/ Consortium, constituted in accordance with the relevant law in the matter.

#### **CONCESSIONING AUTHORITY NOW, THEREFORE,**

**To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to: - Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the CONCESSIONING AUTHORITY will commit to prevent corruption, in any form, by its officials by following transparent procedures.**

**The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:**

### **Commitments of the CONCESSIONING AUTHORITY**

- 1.1 The CONCESSIONING AUTHORITY undertakes that no official of the CONCESSIONING AUTHORITY, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
- 1.2 The CONCESSIONING AUTHORITY will, during the pre-contract stage, treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 1.3 All the officials of the CONCESSIONING AUTHORITY will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the CONCESSIONING AUTHORITY with full and verifiable facts and the same is prima facie found to be correct by the CONCESSIONING AUTHORITY necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the CONCESSIONING AUTHORITY and such a person shall be debarred from further dealings related to the contract process. In such a case, while an enquiry is being conducted by the CONCESSIONING AUTHORITY the proceedings under the contract would not be stalled.

### **Commitments of BIDDERS**

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-
- 3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the CONCESSIONING

- AUTHORITY connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
- 3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the CONCESSIONING AUTHORITY or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.
- 3.3 \* BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.
- 3.4 \* BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
- 3.5 \* The BIDDER further confirms and declares to the CONCESSIONING AUTHORITY that the BIDDER has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the CONCESSIONING AUTHORITY or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 3.6 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract/ Concession Agreement, shall disclose any payments he has made, is committed to or intends to make to officials of the CONCESSIONING AUTHORITY or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

- 3.9 The BIDDER shall not use impropriety for purposes of competition or personal gain, or pass on to others, any information provided by the CONCESSIONING AUTHORITY as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.
- 3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the CONCESSIONING AUTHORITY, or alternatively, if any relative of an officer of the CONCESSIONING AUTHORITY has financial interest/stake in the bidder's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.  
**The term 'relative' for this purpose would be as defined in Section 2(77) of the Companies Act 2013.**
- 3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the CONCESSIONING AUTHORITY.

#### **4. Previous Transgression**

- 4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify bidder's exclusion from the tender process.
- 4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

#### **5. Bid Security/ Performance Security Deposit**

- 5.1 While submitting the bid, the BIDDER shall submit a Bid Security with the CONCESSIONING AUTHORITY



- 5.2 Deleted
- 5.3 In the case of Successful Bidder, a Performance Security in the form of a Bank Guarantee shall be provided in accordance with the terms of the Concession Agreement and having validity as specified therein.
- 5.4 In case of the successful BIDDER, a clause would also be incorporated in the Article pertaining to Performance Security in the Project Concession Agreement that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Security in case of a decision by the CONCESSIONING AUTHORITY to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 5.5 No interest shall be payable by the CONCESSIONING AUTHORITY to the BIDDER on Performance Security for the period of its currency.

**6. Sanctions for Violations**

- 6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the CONCESSIONING AUTHORITY to take all or any one of the following actions, wherever required:-
- a) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.
  - b) The Performance Security (after the contract is signed) shall stand forfeited either fully or partially, as decided by the CONCESSIONING AUTHORITY and the CONCESSIONING AUTHORITY shall not be required to assign any reason therefore.
  - c) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.
  - d) To cancel all or any other Contracts with the BIDDER. The BIDDER shall, be liable to pay compensation for any loss or damage to the CONCESSIONING AUTHORITY resulting from such cancellation/rescission and the CONCESSIONING AUTHORITY shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
  - e) To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the CONCESSIONING AUTHORITY.

- f) To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.
  - g) Forfeiture of Performance Security in case of a decision by the CONCESSIONING AUTHORITY to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 6.2 The CONCESSIONING AUTHORITY will be entitled to take all or any of the actions mentioned at para 6.1 (a) to (g) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
- 6.3 The decision of the CONCESSIONING AUTHORITY to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

## **7. Fall Clause**

- 7.1 The BIDDER undertakes that it has not performed /is not performing similar project at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar project was performed by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the CONCESSIONING AUTHORITY, if the contract has already been concluded.

## **8. Independent Monitors**

- 8.1 The CONCESSIONING AUTHORITY has appointed the following Independent Monitors (hereinafter referred to as Monitor) for this Pact in consultation with the Central Vigilance Commission.
- 8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- 8.3 The Monitors shall not be subject to instructions by the representatives of the parties and

- perform their functions neutrally and independently.
- 8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/bidding, including minutes of meetings.
- 8.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the CONCESSIONING AUTHORITY,
- 8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the CONCESSIONING AUTHORITY including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.
- 8.7 The CONCESSIONING AUTHORITY will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.
- 8.8 The Monitor will submit a written report to the designated Authority of CONCESSIONING AUTHORITY within 8 to 10 weeks from the date of reference or intimation to him by the CONCESSIONING AUTHORITY / BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

**9. Facilitation of Investigation**

In case of any allegation of violation of any provisions of this pact or payment of commission, the CONCESSIONING AUTHORITY or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

**10. Law and Place of Jurisdiction**

This Pact is subject to Indian Law.' The place of performance and jurisdiction is the seat of the CONCESSIONING AUTHORITY.

**11. Other Legal Actions**

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

**12. Validity**

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the CONCESSIONING AUTHORITY and the BIDDER/ CONCESSIONAIRE, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

12.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13. The parties hereby sign this Integrity Pact at \_\_\_\_\_ on \_\_\_\_\_

**BIDDER**

**CONCESSIONING AUTHORITY**

**Name of the Officer.**

**Chief Manager (PPD)**

**Designation**

**Dept./MINISTRY/PSU**

**Witness**

**Witness**

1. \_\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_

2. \_\_\_\_\_,

\* Provisions of these clauses would need to be amended/ deleted in line with the policy of the CONCESSIONING AUTHORITY in regard to involvement of Indian agents of foreign bidders.

**Appendix – VII**  
**Proforma of Undertaking Regarding Illegal Methods for Influencing Bid Process**

**To**

**The .....**  
**.....**

Dear Sir,

I/ We do hereby undertake that I/ We have not made any payment or illegal gratification to any person/authority connected with the bid process of Bid No. \_\_\_\_\_so as to influence the bid process and have not committed any offence under the Prevention of Corruption Act in connection with the Bid.

Yours faithfully,

Signature:

Name & Designation:

**Appendix – VIII**  
**Proforma of Disclosure of Payment made/ proposed to be made to the Intermediaries in**  
**Connection with the Bid**

**To**

**The** \_\_\_\_\_  
\_\_\_\_\_

Dear Sir,

I/We have made / proposed to make the following payments in connection with the Bid No.  
\_\_\_\_\_

1. \_\_\_\_\_ to Mr./Ms./Messrs \_\_\_\_\_ (Name and Address)
2. \_\_\_\_\_ to Mr./Ms./Messrs \_\_\_\_\_ (Name and Address)
3. \_\_\_\_\_ to Mr./Ms./Messrs \_\_\_\_\_ (Name and Address)

Yours faithfully,

Signature:

Name & Designation:

***Note:*** In case no payment is made or proposed to be made a 'Nil' statement shall be enclosed.

**Appendix – IX**  
**Tariff Guidelines 2021 for the Future PPP Concessionaires dated 21.12.2021**

F. No. PD-13/66/2020-PPP (Part-2)/e-347563

भारतसरकार/GOVERNMENT OF INDIA

पवन, पोतपरिवहनऔरजलमार्गमंत्रालय

**MINISTRY OF PORTS, SHIPPING AND WATERWAYS**

(पब्लिक प्राइवेट पार्टनरशिप विंग/PPP WING)

परिवहनभवन/Parivahan Bhawan,

1, संसदमार्ग/1, Sansad Marg,

नई दिल्ली/New Delhi - 110001

दिनांक/Dated: **21<sup>st</sup> December, 2021**

To,

The Chairperson, All Major Ports and CMD KPL  
MD, IPA

**Subject: TARIFF GUIDELINES, 2021 FOR THE FUTURE PPP  
CONCESSIONAIRES - Regarding**

Sir,

The Parliament of India has enacted the Major Port Authorities Bill, 2020 to replace the Major Port Trusts Act, 1963. The Ministry of Law and Justice has published the Major Port Authorities Act, 2021 in the Gazette of India vide Gazette no 3 dated 18 February 2021.

As per subsection (zc) under Section 2 read with subsection (1) of Section 24 of the Major Port Authorities Act, 2021, the Board of each Major Port shall be competent to enter into and perform any concession contract with Public Private Partnership (PPP) Concessionaire for Public Private Partnership Project for discharge of functions of the Major Port Authority under the Act.

The proviso clause to Section 27(1) of the Major Port Authorities Act, 2021 provides that in case of Public Private Partnership Projects after the commencement of the Act, Concessionaire shall fix the tariff based on market conditions and on such other conditions as may be notified. Further, clause (f) of subsection (2) of Section 71 of the ibid Act, empowers the Central Government to make rules providing for the norms for fixation and implementation of scales, fees, rates and conditions under subsection (1) of Section 27.

In this backdrop, a Committee was constituted by the Ministry of Ports, Shipping and Waterways vide O.M.No.PD-13/66/2020-PPP/e-341758, dated 08 December 2020 for revision of Model Concession Agreement (MCA) and other issues of Public Private Partnership Projects under the chairmanship of Chairman, V.O. Chidambaranar Port Trust (VOCPT). The Committee has consulted all the Major Ports.

Based on the report of the Committee and in exercise of the powers conferred to the Central Government under Section 53 and clause (f) of subsection 2 of Section 71 of

the Major Port Authorities Act, 2021, this Government hereby issues the following Tariff Guidelines, 2021.

The said Tariff Guidelines, 2021 are issued to the Major Port Authorities (MPAs) for PPP projects approved by the Government but are still under bidding stage and all future concession agreements to be entered by Major Ports, for framing of Project wise Scale of Rates along with necessary conditionalities that will apply upon the services to be provided by the PPP Concessionaires based on market conditions and on such other conditions notified hereunder.

**TARIFF GUIDELINES, 2021 FOR FRAMING OF SCALE OF RATES FOR THE CONCESSION AGREEMENTS ENTERED INTO BY THE MAJOR PORT AUTHORITY WITH PPP CONCESSIONAIRE AFTER MAJOR PORT AUTHORITIES ACT, 2021 HAS INTO FORCE**

**1. PRELIMINARY**

1.1. These guidelines are issued to the Major Port Authorities (the "MPAs") and PPP Concessionaires, for framing of Scale of Rates along with conditionalities for each PPP project of the respective PPP Concessionaire(s) who have been authorised as set forth in the Concession Agreement(s) by the Board of Major Port Authority to discharge the authorised functions/ provide services at the Major Port Authority.

1.2. This Tariff Guidelines may be called as "Tariff Guidelines, 2021", for framing of Scale of Rates for PPP projects approved by the Government but are still under bidding stage and all future concession agreements, to be entered by Major Ports as per MPA Act, 2021. The Tariff Guidelines, 2021 may be duly updated or revised from time to time by the Government in exercise of the powers conferred under Section 53 and clause (f) of subsection 2 of Section 71 of the Major Port Authorities Act, 2021.

1.3. These Tariff Guidelines 2021 will be applicable prospectively to all the PPP Concession Agreements entered into by the Major Port Authority with PPP Concessionaire under the MPA Act, 2021. These Tariff Guidelines 2021 shall remain in force until further reviewed or amended or modified or revoked.

1.4. Unless the context otherwise requires, various terms used herein will have the same definition as in the MPA Act, 2021 and the Indian Ports Act, 1908, as amended from time to time.

1.5. If any difficulty arises in giving effect to this Tariff Guidelines, the Central Government may in consultation with PPP Concessionaires and Major Port Authorities pass such orders, as may be necessary for removing the difficulty.

1.6. For purposes of these Tariff Guidelines, the term 'Scale of Rates' shall mean the specific tariff rates along with conditionalities that are to be determined, informed and published by the PPP Concessionaires as per market conditions in respect of their respective PPP Projects awarded as per MPA Act, 2021 and as per provisions therein including Section 27(1).

**2. DETERMINATION OF SCALE OF RATES**

*Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis*



2.1. Each PPP Concessionaire is authorised by the Concessioneing Authority to discharge functions and provide services as set forth in their respective Concession Agreement(s) and also have the liberty to frame their own Scale of Rates for any and all services (including combination of services) they perform/ provide to their users/customers. The Scale of Rates set by the PPP Concessionaire must be in accordance with the provisions of their respective Concession Agreement(s) as well as

PROVIDED that the services or combination of the services for which the Scale of Rates is framed by the PPP Concessionaire shall

- (i) not be with retrospective effect
- (ii) not be in derogation with the rules made by or directives of the Central Government in this behalf;
- (iii) not be inconsistent with the provisions of the Competition Act, 2002; and
- (iv) not be inconsistent with the provisions of any other law for the time being in force.

2.2. The PPP Concessionaire shall abide by the provisions of the Royalty and other conditions as per the provisions of the concession agreements entered with the Concessioneing Authority.

2.3. The Scale of Rates, along-with conditionalities, for services rendered shall be formulated by the individual PPP Concessionaire, in accordance with these Tariff Guidelines, 2021 as amended from time to time.

2.4. The PPP Concessionaire shall ensure that the Scale of Rates includes tariff for all the services rendered/ to be rendered by them within the scope of services prescribed in the Concession Agreement to ensure transparency and complete disclosure of applicable charges on port users. The Scale of Rates may be categorized under the following broad categories –

- a. Vessel Related Charges (if chargeable by the PPP Concessionaire under the Concession Agreement)
- b. Cargo /Container Handling Charges
- c. Storage Charges
- d. Other or Miscellaneous Charges

2.5.1. The PPP Concessionaire shall host the Scale of Rates as published rates/ tariff and applicable conditionalities on its website for transparency. The Scale of Rates/ amendment/ revision in Scale of Rates as published by the PPP Concessionaire on the website including conditionalities shall be the ceiling level i.e. the maximum rates or charges or tariff chargeable.

2.5.2. The PPP Concessionaire may annually review its Scale of Rates and the conditionalities. The PPP Concessionaire can modify, amend, increase, decrease, delete or add new tariff/ conditions and host the revised Scale of Rates along with conditionalities on its website in accordance with the procedure set forth in these Tariff Guidelines, 2021. Without prejudice to the aforementioned, the PPP Concessionaire can, if necessary, even during the year or during the annual review, change or stipulate revisions to the Scale of Rates based upon market conditions for existing cargo/ services provided by the PPP Concessionaire, rationalise existing tariff/ storage tariff/ existing

conditionalities and can fix tariff / charge/ conditionalities based upon market conditions for new cargo / new service as permissible within the scope of the Concession Agreement(s).

2.5.3. The PPP Concessionaire shall also intimate in writing the Scale of Rates as amended from time to time to the Concessioneing Authority.

2.6. The Scale of Rates and any revised/ modified Scale of Rates and conditionalities will come into effect only after expiry of 30 days prospectively from the date of first publishing of the Scale of Rates, revision/ modification of the Scale of Rates on the website of the PPP Concessionaire.

2.7. The Concessioneing Authority for inviting bids for PPP Projects may arrive at a reference tariff based on Reference Tariff Guidelines, 2013 as amended from time to time or choose to prepare their own reference tariff. For these Tariff Guidelines 2021, the reference to Reference Tariff Guidelines 2013 will be only for indicative purposes and may be used by the Concessioneing Authority for calculation of Reserve Royalty, if deemed fit.

2.8 The Scale of Rates of each PPP Concessionaire shall be decided subject to :-

- i. Para 6 in respect of 'Vessel Related Charges';
- ii. Para 5 in respect of 'Cargo Related Charges';
- iii. Para 5A in respect of 'Container Related Charges';
- iv. Para 5.5 in respect of 'Storage Charges; and
- v. Para 4 in respect of 'Other aspects' and other provisions of these Tariff Guidelines 2021 as amended from time to time.

### **3. Payment of Royalty by PPP Concessionaires**

3.1. The PPP operator shall pay royalty at the rate indicated in the Concession Agreement applicable during the concession period.

3.2. All the PPP Concessionaires shall maintain all documents and supporting evidence relating to the details of cargo/ containers handled category wise, tariff charged and the amount collected and submit to the Concessioneing Authority within 15<sup>th</sup> day of the following month duly certified by its Internal Auditor(s). The Concessioneing Authority shall have the option to verify and audit the quantity of cargo/ TEUs handled, tariff charged and amounts of rates received.

3.3. For payment of Royalty in cases where there are existing policies of the Central Government such as the existing coastal cargo/ container policy, the Concessioneing Authority must stipulate the rate of Royalty that is to be levied in the case of 'transshipment of normal containers of different sizes' as well as 'coastal cargo/container' as per provisions set forth in these Tariff Guidelines 2021 policy as amended from time to time.

#### **3.4. Royalty Rates for Transshipment containers i.e. Foreign/ Coastal**

This has to be brought out explicitly by the concerned Concessioneing Authority in the bidding document as well as in the Concession Agreement -



- i) In case of foreign transshipment containers, Royalty is to be levied at
  - a. one time of the normal containers for a 20' transshipment container,
  - b. in case of transshipment containers between 20' to 40', royalty is to be levied at 1.2 times the normal foreign container rate and
  - c. in case of transshipment containers beyond 40', royalty is to be levied at 1.5 times the normal foreign container rate.
- ii) In case of coastal transshipment containers of 20', container between 20' to 40' and above 40', the royalty payment by Concessionaire shall be 40% of the royalty payable for Foreign Transshipment container of the corresponding size.

**Illustration:** Suppose the handling tariff of a normal 20' foreign container is ₹5,000/-, tariff for coastal container is ₹3,000/- as per the coastal concession Policy and as per clause 5.4.1 of these Tariff Guidelines, tariff for Transshipment container is 1.5 times the rate of normal foreign/ coastal container. Now, suppose royalty per TEU is Rs.1,000. Then, the Royalty payable by Concessionaire for Transshipment container (foreign/ coastal) as per this clause 3.4.(i) and (ii) above shall be as tabulated below:

Description	Tariff – Handling Charge (in Rs.)		Royalty payable on Transshipment container if per TEU Royalty is at Rs.1000/- shall be -		
	Normal Container	Transshipment container	20' Transshipment Container	20' to 40' Transshipment Container	Above 40' Transshipment Container
Foreign 20'	5000	7500	1000	1200	1500
Coastal 20'	3000	4500	400	480	600

### 3.5. Royalty rates for coastal cargo/ container entitled for coastal concession in tariff:

As regards coastal containers or coastal cargo eligible for coastal concession in tariff as per the prevailing Government policy, the tariff of the coastal cargo/ container is charged at 60% of the tariff applicable to normal foreign cargo/ container. Accordingly Royalty payable by the PPP Concessionaire to the Concessioneering Authority on coastal cargo or containers levied concessional tariff as per policy guidelines of the Government shall be at 40% of the Royalty payable towards normal foreign cargo/ container.

## 4. OTHER ASPECTS

**4.1. Status of Vessel:** The status of the vessel for tariff determination purposes will be borne out by its certification by the Customs or the Director General of Shipping. This shall be the deciding factor for its classification as 'coastal' or 'foreign-going' for the purpose of levying Vessel Related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

### 4.2.1. System of classification of 'vessel' for levy of Vessel Related Charges (VRC)

(a) A foreign going vessel of Indian flag having a General Trading Licence can convert to 'coastal run' on the basis of a Customs Conversion Order. Such vessel that converts into 'coastal run' based on the Customs Conversion Order at her first port of call in Indian Port will not require any further custom conversion, so long as it moves on the Indian Coast.

(b) A Foreign going vessel of foreign flag can convert to 'coastal run' on the basis of a Licence for Specified Period or Voyage issued by the Director General of Shipping and a Custom Conversion Order.

**4.2.2. Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate;**

(a) In cases of such conversion as set forth in Para 4.2.1. above, coastal rates shall be chargeable by the load port from the time the 'converted vessel' starts loading coastal goods.

(b) In cases of such conversion as set forth in Para 4.2.1. above, coastal rates shall be chargeable till the vessel completes discharging operations at the last call of Indian Port. Immediately thereafter, foreign going rates shall be chargeable by the discharge ports.

(c) For dedicated Indian coastal vessels having a Coastal licence from the Director General of Shipping, no other document will be required to be entitled to coastal rates.

**4.2.3. Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate**

(a) Foreign going Indian Vessel having General Trading License issued for 'worldwide and coastal' operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:

(i) Converted to coastal run and carrying coastal cargo from any Indian Port and destined for any other Indian Port.

(ii) Not converted\* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.

*\* The Central Board of Excise and Customs Circular no.15/2002-Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.*

(b) In case of a Foreign flag vessel converted to coastal run on the basis of a Licence for Specified Period or Voyage issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.



4.3 Port Users (i.e. users or customers of the PPP Concessionaire) will not be required to pay charges for delays attributable to the PPP Concessionaire. For example power failure, malfunction/ non function of crane or equipment provided by the PPP Concessionaire.

4.4 **Interest Rate:** Port users (i.e. users or customers of the PPP Concessionaire) can be subjected to interest on delayed payments and likewise the PPP Concessionaire shall also pay interest on delayed refunds at the same rate. For this purpose the rate of interest should be identical for amount receivable by the PPP Concessionaire and payable by the PPP Concessionaire to be calculated on simple interest basis and not exceeding 15% p.a.

4.5 The period for calculation of delay in payments by Port users (i.e. users or customers of the PPP Concessionaire) will be counted beyond 10 days after the date of raising the bills by the concerned PPP Concessionaire.

4.6 The delay in refunds by the PPP Concessionaire will be counted beyond 20 days from the date of completion of services or on production of all documents required from the Port users (i.e. users or customers of the PPP Concessionaire), whichever is later.

4.7.1. All US dollar denominated tariff set forth in the Scale of Rates will be recovered in Indian Rupees after conversion of charges in US dollar terms into its equivalent Indian Rupees at the current reference rate (as on the date of conversion) as notified by the Reserve Bank of India or the market buying rate notified by State Bank of India.

4.7.2. Alternatively, PPP Concessionaire may recover US dollar denominated tariff in US dollars after seeking approval of the Government and in compliance with the provisions of Foreign Exchange Management Act, 1999 and the necessary guidelines of the Reserve Bank of India.

4.8. The day of entry of the vessel into port limits shall be reckoned as the day for such conversion purposes in respect of Vessel Related Charges. In respect of charges on containers or cargo, the day of entry of the vessel in the case of import containers and the day of arrival of containers into the port in the case of export containers shall be reckoned as the day for such conversion.

4.9. A regular review of exchange rate shall be made once in 30 (thirty) days from the date of arrival in the cases of vessels staying in the port for a period longer than 30 (thirty) days. The basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

4.10. The rates prescribed in the Scale of Rates hosted on the website of the PPP Concessionaire shall remain the published rates for the particular PPP Concessionaire. No tariff or rates can be charged in excess of the said Scale of Rates. It is however clarified that the PPP Concessionaire would be at liberty to offer rebates and discounts on the published Scale of Rates to its users/customers.

## **5. CARGO RELATED CHARGES.**

5.1. Cargo-related charges shall continue to be denominated in Indian Rupee terms.

5.2. 'Wharfage rates' if chosen to be levied as part of Cargo Related Charges by the PPP Concessionaire shall be on per unit of either weight or volume of cargo handled.

5.3. Before classifying any cargo under "unspecified" category under the wharfage Scale, the relevant customs classification should be referred by the PPP Concessionaire to find out whether the cargo could be classified under any of the specific categories mentioned in the wharfage Scale.

5.4. Concessional tariff will be prescribed for coastal cargoes/ containers, as per the policy guidelines of the Government as amended from time to time.

5.4.1. Presently, as per the Coastal Concession Policy of the Government, the cargo/ container related charges for all coastal cargo/ containers, other than thermal coal and POL including crude oil, iron ore and iron ore pellets should not exceed 60% of the normal cargo/ container related charges. In case of cargo related charges, the concession should be allowed on all the relevant cargo handling charges for ship-shore transfer and transfer from/to quay to/from storage yard including wharfage.

5.4.2. For the purpose of this concession cargo/ container from a foreign port which reaches an Indian Port 'A' for subsequent transshipment to Indian Port 'B' will also qualify insofar as the charges relevant for its coastal voyage. In other words, cargo/containers from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.

5.4.3. To exemplify, *in case a container from foreign port reaches Indian Port 'A' for subsequent transshipment to Indian Port 'B', 50% of foreign going rate and 50% of coastal rate shall be applicable for vessels permitted to undertake coastal voyage.*

5.5. For Demurrage/ storage charges free days allowed shall be exclusive of customs notified holidays and port/ terminal non-working days. The number of free days may, be fixed by individual PPP Concessionaire in its SOR. Once demurrage/ storage charge starts accruing, no allowance will be made for the customs notified holidays and port/ terminal non-working days.

## **5A. CONTAINER RELATED CHARGES**

5A.1. The handling charges as part of Container Related Charges for transshipment containers shall be concessional. Such charges shall not exceed 1.5 times the handling charges for the normal handling operation in loading or unloading cycle. In case of transshipment of coastal containers, the concession in handling charges shall be calculated with reference to the applicable handling charges (which are subject to the concessions specified in para 5.4.1. above) for coastal containers for the normal handling operation in loading or unloading cycle.

### **Illustration**

*Let X be the handling charges for normal import or export containers and Y be rate for similar operations in respect of coastal containers (where Y is arrived at based on X after giving the concessions specified in clause 5.4.1 above).*



Handling charges as part of Container Related Charges for transshipment containers will not exceed 1.5X in case of Exim containers and 1.5Y in case of coastal containers.

5A.2.1. Free dwell-time (storage) allowed shall be exclusive of Customs notified holidays and Port/ terminal non-working days. The number of free days may, be fixed by individual operators in its SOR. Once storage charge starts accruing, no allowance will be made for custom notified holidays and terminal non-working days.

5A.2.2. Free dwell-time (storage) period for import containers shall commence from the day after the day of landing of the container and for export containers the free period shall commence from the time the container enters the terminal.

5A.2.3. The storage charges on abandoned FCL containers/ shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the day of landing of the container, whichever is earlier subject to the following conditions:

- (i) The consignee can issue a letter of abandonment at any time.
- (ii) If the consignee chooses not to issue such letter of abandonment, the container Agent/ MLO can also issue abandonment letter subject to the condition that,
  - (a) the Line shall resume custody of container along with cargo and either take back it or remove it from the port premises; and
  - (b) the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.
- (iii) The container Agent/ MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge on container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.
- (iv) Where the container is seized/ confiscated by the Custom Authorities and the same cannot be de-stuffed within the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Custom order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and de-stuffing. Otherwise, seized/ confiscated containers should be removed by the line/ consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day of such removal.

## **6. VESSEL RELATED CHARGES.**

6.1.1. Vessel-related charges for foreign-going vessels will be denominated in US dollars and recovered in Indian rupees by the PPP Concessionaire.

6.1.2. Alternatively, PPP Concessionaire may recover US dollar denominated tariff in US dollars after seeking approval of the Government and in compliance with the provisions of Foreign Exchange Management Act, 1999.

6.2. As per the prevailing Coastal Concession Policy of the Government, in case of coastal vessels, the vessel related charges should not exceed 60% of the corresponding charges for other vessels. Further, these charges should be denominated and collected in Indian Rupees only. Restatement of coastal rates with reference to prevailing exchange rate at the time of each general revision of Scale of Rates is not permitted as per the existing Coastal Concession Policy of the Government. This provision shall be governed by the Coastal Concession Policy of the Government as amended from time to time.

6.3. Status of a vessel as borne out by its certification is the relevant factor to decide whether vessel is 'foreign-going' or 'coastal'.

6.4. The unit for levying Vessel Related Charges will be Gross Registered Tonnage (GRT) of the concerned vessel. Unit for levy of berth hire charges as well mooring fee and similar charges that are linked to the duration of stay of a vessel shall be hourly.

## **7. Dispute Resolution/ Grievance Redressal**

7.1. In the event any dispute or difference between the PPP Concessionaire and the Concessioning Authority regarding fixation/ revision of SOR or tariff or conditionalities determined following this Tariff Guidelines, the concerned PPP Concessionaire or the Concessioning Authority shall make a reference to the Adjudicatory Board, constituted under section 54 of the MPA Act, 2021 in accordance with the prescribed rules.

7.2. In the event any user has any grievance regarding procedure followed for fixation/ revision of Scale of Rates or conditionalities determined under these Tariff Guidelines, 2021, the concerned user or party shall file its complaint/representation/ grievance to the Adjudicatory Board, constituted under section 54 of the MPA Act, 2021 in accordance with the prescribed rules.

## **8. MANDATORY PROVISIONS IN CASE OF FORCE MAJEURE AND SPECIFIC EVENTS**

8.1. The PPP Concessionaires will abide by provisions of the Concession Agreement in respect of the Scale of Rates in cases of any unforeseen events including Force Majeure events. In addition to the above, the PPP Concessionaires covered by these Tariff Guidelines 2021 are also mandated to comply with any orders, guidelines or notifications issued by the Concessioning Authority and the Central Government in respect of the Scale of Rates with respect to Force Majeure events and/or other specific events that concern or relate to matters of security of the nation or in public interest or such matters that the Concessioning Authority and/or the Central Government may think fit in accordance with the powers vested under the MPA Act 2021.

## **9. MANDATORY DISCLOSURES BY PPP CONCESSIONAIRES**

9.1. All PPP Concessionaires shall furnish to respective Concessioning Authority quarterly and annual reports on cargo traffic handled and ship berth-day output. For the container terminals, the PPP Concessionaire shall furnish to Concessioning Authority quarterly/ annual reports on container traffic handled, average moves by crane per hour and average dwell time for containers.



9.2. The quarterly reports shall be submitted by the PPP Concessionaire within a month following the end of each quarter. The Annual Reports and Audited Accounts shall be submitted by the PPP Concessionaire within 120 days following the end of each of the financial year. Any other information which may be required by Concessioneing Authority shall also be furnished to them from time to time.

9.3. The Major Ports Authorities/ Concessioneing Authorities are, therefore, directed to adopt the aforesaid procedure prescribed in these Tariff Guidelines, 2021. The Major Port Authorities are also directed to incorporate the said Tariff Guidelines as attachment in the bidding document and Concession Agreement for PPP Projects.

This issues with the approval of the Competent Authority.

Yours faithfully,



(Gopinath Nayak)

Under Secretary to the Government of India

[E-mail: [nayak.gn@gov.in](mailto:nayak.gn@gov.in)]

# 011-2331 1659

**Copy to:**

- i. PS to Hon'ble Minister of Ports, Shipping & Waterways
- ii. PS to Hon'ble Minister of State of Ports, Shipping & Waterways (Shri Shripad Naik)
- iii. PS to Hon'ble Minister of State of Ports, Shipping & Waterways (Shri Shantanu Thakur)
- iv. PPS to Secretary (PS&W)
- v. PPS to AS, Ministry of Ports, Shipping and Waterways
- vi. PPS to AS&FA, Ministry of Ports, Shipping and Waterways.
- vii. PS to Joint Secretary (PPP)/ Joint Secretary (Ports)/Economic Advisor, Ministry of Ports, Shipping and Waterways.
- viii. Director (PPP), Ministry of Ports, Shipping and Waterways.



## **DRAFT CONCESSION AGREEMENT**

**BETWEEN**

**BOARD OF VISAKHAPATNAM PORT AUTHORITY  
(THE CONCESSIONING AUTHORITY)**

**AND**

**..... LTD.  
(THE CONCESSIONAIRE)**

**FOR**

**Development and Mechanization of Existing East Quay-6 (EQ-6) Berth  
in the Inner Harbour at Visakhapatnam Port for handling of all types of  
Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT)  
basis**

**April, 2023**

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## CONCESSION AGREEMENT

**THIS CONCESSION AGREEMENT** is made at \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_

BETWEEN:

1. **BOARD OF TRUSTEES for VISAKHAPATNAM PORT AUTHORITY**, a body corporate constituted under the provisions of the Major Port Authorities Act, 2021 and having its Administrative Office at, Visakhapatnam Port Authority, Visakhapatnam - 530035 hereinafter referred to as **“the Concessioneing Authority”** (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

AND

2. \_\_\_\_\_ **LIMITED**, a company registered under the Companies Act, 2013, and having its registered office at \_\_\_\_\_ hereinafter referred to as **“the Concessionaire”** (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns).

WHEREAS:

- I. The Concessioneing Authority is desirous of implementing a Project (as defined hereinafter) for **Development and Mechanization of Existing East Quay-6 (EQ-6) Berth in the Inner Harbour at Visakhapatnam Port for handling of all types of Cargoes on Design, Build, Finance, Operate and Transfer (DBFOT) basis** through private sector participation;
- II. In or about \_\_\_\_\_, the Concessioneing Authority invited applications from the interested parties in accordance with the Request for Qualification (as defined hereinafter), to shortlist competent parties that can subsequently bid for the Project;
- III. In response to the invitation referred to in recital ‘B’ above, the Concessioneing Authority received applications from various parties including the application dated \_\_\_\_\_ submitted by the Applicant/ Consortium in accordance with the Request for Qualification;
- IV. The Concessioneing Authority, after evaluating all the applications, shortlisted \_\_\_\_\_ number of applicants including the Applicant / Consortium and invited proposals from them in accordance with the Request for Proposal (as defined hereinafter), for implementing the Project;
- V. In response to the Request for Proposal, the Concessioneing Authority received proposals from the shortlisted applicants including the one submitted by the Applicant/Consortium;
- VI. The Concessioneing Authority, after evaluating all the proposals received by it from the shortlisted applicants, accepted the proposal referred to in recital “E” above submitted by the

Applicant/Consortium and communicated its acceptance to the Applicant/Consortium vide Letter of Intent for Award of Concession dated\_\_\_\_\_;

- VII. The Applicant/Consortium has/have incorporated the Concessionaire as a special purpose company in India, under the Companies Act, 2013 to implement the Project;
- VIII. Following the issue of the Letter of Intent for Award of Concession, the Concessioneing Authority has agreed to grant the Concession to the Concessionaire to implement the Project on the terms, conditions and covenants hereinafter set forth in this Agreement.

**NOW, THIS AGREEMENT WITNESSETH AS FOLLOWS:**

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Agreement, unless the context otherwise requires the following terms shall have the following meanings assigned/ascribed thereto: -

**“Additional Auditor”** has the meaning ascribed to it in Article 9.4.

**“Additional Termination Payment”** means the amount payable upon termination in respect of Specified Assets, if any, as limited by the provision of Clause 17.8;

**“Adjusted Depreciated Value”** means the amount arrived at after adjusting the depreciated book value of an asset (as stated in the books of account of the Concessionaire, save and except, in the case of buildings and permanent structures where the depreciated book value shall be determined by applying an annual depreciation rate of 3% based on the written down value method) to reflect the variation occurring in Price Index between the date of procurement thereof and the Transfer Date;

**“Adjusted Equity”** means the Equity funded in Indian Rupees and adjusted on the first day of the current month (the **“Reference Date”**), in the manner set forth below, to reflect the change in its value on account of depreciation and variations in Price Index, and for any Reference Date occurring:

- (a) on or before COD, the Adjusted Equity shall be a sum equal to the Equity funded in Indian Rupees and expended on the Project, revised to the extent of one half of the variation in Price Index occurring between the first day of the month of Date of Award of Concession and the Reference Date;
- (b) from COD and until the 4<sup>th</sup> (fourth) anniversary thereof, an amount equal to the Adjusted Equity as on COD shall be deemed to be the base (the **“Base Adjusted Equity”**) and the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, revised at the commencement of each month following COD to the extent of variation in Price Index occurring between COD and the Reference Date; and
- (c) after the 4<sup>th</sup> (fourth) anniversary of COD, the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, reduced by 0.22% (zero point two two per cent) thereof at the commencement of each month following the 4<sup>th</sup> (fourth) anniversary of COD and the amount so arrived at shall be revised to the extent of variation in Price Index occurring between COD and the Reference Date;

For the avoidance of doubt, the Adjusted Equity shall, in the event of termination, be computed as on the Reference Date immediately preceding the Transfer Date; provided that no reduction in the Adjusted Equity shall be made for a period equal to the duration, if any, for which the Concession Period is extended, but the revision on account of Price Index shall continue to be made;

**“Adverse Impact”** shall have the meaning as set forth in Clause 13.1.2;

**“Affected Party”** shall have the meaning as set forth in Clause 14.1;

**“Affiliate/Associate”** means, with respect to any Party and/or with respect to the Applicant and/or with respect to any member of Consortium, any other Person directly or indirectly controlling, controlled by or under common control with such Party, Applicant and/or member of Consortium. For the purposes of this definition, the term “control” (including with correlative meaning, the terms “controlled by” and “under common control with”) as applied to any Party or Applicant or a member of Consortium, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Party or Applicant or a member of Consortium whether through ownership of 50 (fifty) % or more of the voting securities, or by operation of law, or by contract, or otherwise.

**“Agreement”** means this agreement as of date hereof, including Appendices 1 through 17 as may be amended, supplemented or modified in accordance with the provisions hereof.

**“Appendix”** means the schedules, supplements or documents, appended to this Agreement

**“Applicable Laws”** means all laws, brought into force and effect by GOI or the State Government including rules, regulations and notifications made thereunder, treaties and conventions having the force of law and judgements, decrees, injunctions, writs and orders of any court of record, applicable to this Agreement and the exercise, performance and discharge of the respective rights and obligations of the Parties hereunder, as may be in force and effect during the subsistence of this Agreement

**“Applicable Permits”** means any and all permissions, clearances, licenses, authorizations, consents, no-objections, approvals and exemptions under or pursuant to any of the Applicable Laws or from any Government Authority required in connection with the Project and for undertaking, performing or discharging the obligations contemplated by this Agreement or any other Transaction Document

**“Applicable Tariff Guidelines”** shall have the same meaning ascribed to it in Article 8.1.

**“Applicant”** means [●]<sup>1</sup>

**“Approved Valuer”** means a firm of valuers recognised as such by the Income Tax Department and having experience of valuing at least 5 (five) properties exceeding Rs. 100 cr. (Rupees one hundred crore) each in value.

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<sup>1</sup> The name and registered office address of the single applicant to be inserted

**“Average Daily Tariff”** means the amount arrived at by dividing the total Tariff collected in the immediately preceding Accounting Year by 365 (three hundred and sixty-five), and increasing the quotient thereof by 5%; provided that the Average Daily Tariff for any period prior to completion of the first Accounting Year following COD shall be a simple average of the Tariff collected every day during the period between COD and the last day of the month preceding the date on which the event requiring calculation hereof occurred, and in the event that the Tariff payable by any segment of cargo has not been realised for any reason, an assessment thereof shall be made by the Independent Engineer to form part of the Average Daily Tariff for such period.

**“Bank Rate”** means the rate of interest specified by the Reserve Bank of India from time to time in pursuance of section 49 of the Reserve Bank of India Act, 1934 or any replacement of such Bank Rate for the time being in effect;

**“Bid”** means the proposal and the entire set of documents submitted by the Applicant and/or the Consortium in response to the RFQ and the RFP.

**“Bid Security”** means the bank guarantee [●] dated [●] furnished by the Applicant/Consortium along with its Bid.

**“Board”** means the Board of Trustees for the Port of Visakhapatnam.

**“Change in Law”** shall have the meaning set out under Article 13.1 of this Agreement.

**“Change of Scope”** shall have the meaning assigned to it under Article 6.8(a).

**“Change of Scope Notice”** shall have the meaning assigned to it under Article 6.8(b).

**“Completion Certificate”** shall have the meaning assigned to it under Article 6.3.

**“Committee”** shall have the meaning assigned to it under Article 13.1.2

**“Concession”** means the Concession granted by the Concessioneing Authority to the Concessionaire in accordance with the provisions of Article 2.1 of this Agreement for implementing the Project and providing Project Facilities and Services.

**“Concessioneing Authority Event of Default”** shall have the meaning as set out under Article 15.1(b).

**“Concessionaire Event of Default”** shall have the meaning as set out under Article 15.1 (a).

**“Concession Period”** means the period of the Concession specified in Article 2.2 of this Agreement.

**“Conciliation & Settlement Committee”** shall have the meaning assigned to it under Article 19.3

**“Conditions Precedent”** shall mean the conditions prescribed in Article 3 of this Agreement.

**“Consortium”** means the consortium consisting of (i) XXXX, (ii) YYYY, and (iii) ZZZZ formed, to implement the Project.

**“Construction Phase”** means the period from the Date of Award of Concession to the Commercial Operations Date.

**“Construction Works”** means all works, equipment and things necessary to complete the Project and provide the Project Facilities and Services in accordance with this Agreement.

**“Construction Standards”** means the construction standards set out in the annexure to Appendix-4.

**“Consultation Notice”** has the meaning ascribed to it in Article 15.3.

**“Contractor”** means a Person<sup>2</sup> with whom the Concessionaire has entered into/may enter into a contract relating to the execution of any works and /or operation and maintenance of the Project Facilities and Services.

**“CPI (IW)”** means the Consumer Price Index for Industrial Workers as published by the Labour Bureau, Government of India and shall include any index which substitutes the CPI (IW), and any reference to CPI (IW) shall, unless the context otherwise requires, be construed as a reference to the CPI (IW) published for the period ending with the preceding quarter;

**“Date of Award of Concession”** means the date when the Conditions Precedent have either been satisfied or waived by the Party other than the Party responsible for satisfying the same.

**“Commercial Operations Date or COD”** means the date on which the Concessionaire receives the Completion Certificate in accordance with the provisions of this Agreement/ Major Ports Authorities Act 2021.

**“Day”** means the 24 (twenty-four) hour period beginning 06:00 am of the day and ending at 06:00 am of the following day Indian Standard Time for vessel operation and cargo handling purposes.

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<sup>2</sup> If requested by the Concessionaire, to facilitate custom duty exemptions available to the contractors for certain projects, the names of the persons engaged as Contractors may be specified

**“Debt Due”** means the aggregate of the following sums representing the amounts advanced by the Senior Lenders towards Total Project Cost, expressed in Indian rupees as may be outstanding and payable to the Senior Lenders under the Financing Documents on the Transfer Date:

- (a) the principal amount of the debt including any subordinated debt provided by the Senior Lenders under the Financing Documents for financing the Total Project Cost (“the Principal”) but excluding (i) working capital loans; (ii) any part of the Principal that had fallen due for repayment two years prior to the Transfer Date; and (iii) any debt that has been rescheduled or refinanced, unless such repayment had been rescheduled or refinancing made with the prior consent of Concessioning Authority; and
  - (b) all accrued interest, financing fees and charges payable on or in respect of the debt referred to in sub-clause (a) above upto the Transfer Date but excluding (i) any interest, fees or charges that had fallen due 1 year prior to the Transfer Date, and (ii) penal interest or charges, payable under the Financing Documents to any Senior Lender, and (iii) any pre-payment charges in relation to accelerated repayment of debt except where such charges have arisen due to Concessioning Authority Default;
- provided further that the Debt Due, on or after COD, shall in no case exceed 85% of the Total Project Cost.

**“Deemed Performance Security”** shall have the meaning as set forth in Clause 4.2

**“Designs and Drawings”** means the designs and drawings, and other technical information submitted by the Concessionaire from time to time and reviewed by the Independent Engineer in accordance with the provisions of this Agreement.

**“Emergency”** means a condition or situation that is likely to endanger the security of the individuals on or about the Project or which poses an immediate threat of material damage to any of the Project Assets, and includes a threat to public order or national security;

**“Encumbrance”** means any encumbrance such as mortgage, charge, pledge, lien, hypothecation, security interest, assignment, privilege or priority of any kind having the effect of security or other such obligations and shall include without limitation any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Project, physical encumbrances and encroachments on the Project Site/Port’s Assets/Project Facilities and Services.



**“EPC Contract”** means the contract entered into by the Concessionaire with one or more Contractors inter-alia for the purpose of design, engineering, procurement of equipment and materials (including by import thereof) and construction of the Project in accordance with the provisions of this Agreement.

**“Equity”** means the sum expressed in Indian Rupees representing the paid-up equity share capital of the Concessionaire for meeting the equity component of the Total Project Cost, and such other form of equity shares including, but not limited to bonus shares and right shares subscribed by the Shareholders for meeting such equity component.

**“Equity Documents”** means collectively the documents evidencing subscription to Equity to the extent of equity component of cost of the Project.

**“Escrow Account”** shall have the meaning assigned to it under Article 9.5.

**“Escrow Agreement”** means the agreement to be executed inter alia between the Concessionaire, the Concessioneing Authority and the Senior Lenders/Senior Lenders representative substantially in the format set out in Appendix 15 hereto.

**“Escrow Bank”** shall have the meaning assigned to it under Article 9.5.

**“Event of Default”** shall have the meaning assigned to it under Article 15.1.

**“Exclusivity Period”** shall have the meaning ascribed to it in Article 12.2(c).

**“Financial Assistance”** means all funded and non-funded credit assistance including but not limited to loans, advances, lease assistance and guarantees required for the Project.

**“Financial Close”** means the date on which the Financing Documents providing for Financial Assistance by the Senior Lenders, Equity Documents and the documents in respect of debt, if any, committed by the Applicant/Consortium have become effective and the Concessionaire has access to such Financial Assistance.

**“Financial Year”** means any twelve-month period commencing from 1<sup>st</sup> April and ending on 31<sup>st</sup> March.

**“Financial Model”** means the financial model adopted by Senior Lenders, setting forth the capital and operating costs of the Project and revenues therefrom on the basis of which financial viability of the Project has been determined by the Senior Lenders, and includes a description of the assumptions

and parameters used for making calculations and projections therein, as set out in Appendix 16.

**“Financing Documents”** means, collectively, the documents executed in favour of or entered into with the Senior Lenders, by the Concessionaire in respect of the Financial Assistance relating to the financing (including any re-financing) of the Total Project Cost and includes any document providing security for the Financial Assistance.

**“Financial Package”** means the financing package indicating the total capital cost of Project Completion and the means of financing thereof, as set forth in the Financial Model and approved by the Senior Lenders, and includes Equity and all Financial Assistance specified in the Financing Documents.

**“Force Majeure Event”** shall have the meaning ascribed to it in Article 14.1 of this Agreement.

**“GoI”** means the Government of India.

**“Good Industry Practice”** means the exercise of that degree of skill, diligence and prudence and those practices, methods, specifications and standards of equipment, safety and performance, as may change from time to time and which would reasonably and ordinarily be expected to be used by a skilled and experienced operator engaged in construction, operation and maintenance of facilities, equipment or systems of the type and size similar to the Project Facilities and Services.

**“Government Authority”** means GoI, any state government or any governmental department, commission, board, body, bureau, agency, authority, instrumentality, administrative body, at central, state, or local level, having jurisdiction over the Concessionaire, the Port’s Assets, the Project Facilities and Services or any portion thereof, but shall not include the Concessioning Authority.

**“Independent Engineer”** means a technical consultancy firm appointed in accordance with Article 5.1 for supervision and monitoring of compliance by the Concessionaire with the Scope of Work, more particularly to undertake, perform, carry out the duties, responsibilities, services and activities set forth in Appendix 7.

**“Indian Accounting Standards”** means the Indian accounting standards issued by the Institute of Chartered Accountants of India.

**“Indian Ports Association”** means the Apex body of Major Ports of India registered under Societies Registration Act.

**“Insurance Cover”** shall have the meaning ascribed to it in Article 12.1(c) (ii).

**“License Fee”** shall have the meaning assigned to it under Article 9.1(a).

**“Management Control”** means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of the Concessionaire, whether through the ownership of voting securities, by contract or otherwise or the power to elect or appoint more than 50% of the directors, managers, partners or other individuals exercising similar authority with respect to the Concessionaire.

**“Material Adverse Effect”** means material adverse effect of any act or event on the ability of either Party to perform any of its rights or perform/discharge any of their duties/obligations under and in accordance with the provisions of this Agreement and which act or event causes a material financial burden or loss to either Party.

**“Milestone Dates”** means the dates for completion of specified Project activities as contained in the Project Schedule.

**“Minimum Annual Guaranteed Revenue” or “MAGR”** shall have the meaning ascribed to it in Article 7.1(a) (xii).

**“Month”** means the calendar month as per the Gregorian calendar.

**“Non-Political Event”** means the Force Majeure Events set out in Article 14.2.

**“O&M Contract”** means the contract, if any, entered into by the Concessionaire for the operation and maintenance of the Project in accordance with the provisions of this Agreement

**“O&M Expenses”** means expenses incurred by or on behalf of the Concessionaire or by the Concessioneing Authority, as the case may be, for all O&M including (a) cost of salaries and other compensation to employees, (b) cost of materials, supplies, utilities and other services, (c) premia for insurance, (d) all taxes, duties, cess and fees due and payable for O&M, (e) all repair, replacement, reconstruction, reinstatement, improvement and maintenance costs, (f) payments required to be made under the O&M Contract or any other contract in connection with or incidental to O&M, and (g) all other expenditure required to be incurred under Applicable Laws, Applicable Permits or this Agreement;

**“Operations Phase”** means the period from the COD to the expiry/termination of the Concession Period.

**“Operations and Maintenance Standards”** means the minimum standards of operations and maintenance set out in the annexure to Appendix 4 with regards the Project Facilities and Services.

**“Other Events”** means the Force Majeure Events set out in Article 14.4.

**“Party”** means either the Concessioneing Authority or the Concessionaire as the context may require or admit and **“Parties”** means both Concessioneing Authority and Concessionaire.

**“Performance Standards”** means the minimum standards of performance set out in Appendix 14 and Appendix 18, set out respectively for the Concessionaire and the Concessioneing Authority, with regards to the Project Facilities and Services.

**“Performance Guarantee”** shall mean the E-Bank Guarantee(s)/letter(s) of credit procured by the Concessionaire for the benefit of the Concessioneing Authority guaranteeing the performance of the obligations of the Concessionaire hereunder in the manner specified in Article 4.1.

**“Person”** means any individual, company, corporation, partnership, joint venture, trust, unincorporated organization, government or governmental authority or agency or any other legal entity.

**“Political Event”** means the Force Majeure Events set out in Article 14.3.

**“Port’s Assets”** means the assets set out in Appendix 2, belonging to the Concessioneing Authority.

**“Port Limits”** means limits of the port of Visakhapatnam as defined under Section 5 of the Indian Ports Act 1908, as amended from time to time.

**“Preservation Costs”** shall have the meaning as set forth in Clause 6.6 (c).

**“Price Index”** shall comprise:

- a) 70% of WPI; and
- b) 30% of CPI (IW),

which constituents may be substituted by such alternative index or indices as the Parties may by mutual consent determine;

**“Project”** means the design, finance, construction, operation, maintenance, and marketing and providing of the Project Facilities and Services in accordance with the provisions of this Agreement.

**“Project Assets”** means all physical and other assets relating to and forming part of the Site including:

- a) rights over the Site in the form of licence, Right of Way or otherwise;
- b) tangible assets such as civil works and equipment including foundations, electrical systems, communication systems and administrative offices;
- c) Project Facilities and Services situated on the Site;
- d) all rights of the Concessionaire under the Project Contracts;
- e) financial assets, such as receivables, security deposits etc.;
- f) insurance proceeds; and
- g) Applicable Permits and authorizations relating to or in respect of the Project;

**“Project Capacity”** means the capacity of the Project Facilities and Services to handle 2.62 Million Tons of Bulk and Break Bulk Cargo per annum

**“Project Contracts”** means collectively this Agreement, the EPC Contract, the Financing documents, O&M Contract and any other material contract (other than the Escrow Agreement, the Substitution Agreement or any commercial agreement with the users) entered into or may hereafter be entered into by the Concessionaire in connection with the Project and Project Facilities and Services.

**“Project Facilities and Services”** means the facilities and services as set out under the Scope of Work, to be provided by the Concessionaire during the Concession Period, in accordance with this Agreement.

**“Project Schedule”** means the Appendix 5 hereto.

**“Project Site”** means the area demarcated in Appendix 1 including the waterfront, existing berth, land together with buildings, structures if any and easement rights thereto that may be given to the Concessionaire and all other assets comprised therein on which the Concessionaire is authorized to develop and operate the Project Facilities and Services as set forth in this Agreement. This shall also include additional land, utilities and services allowed by Port in terms of Article 7.1 (c) (iii), wherever applicable.

**“Provisional Certificate”** shall have the meaning assigned to it under Article 6.7(d).

**“Punch List”** shall have the meaning assigned to it under Article 6.7 (d).

**“Quarter”** means a period of 3 (three) Months.

**“Remedial Period”** has the meaning ascribed to it in Article 15.4.

**“Request for Proposal”** or **“RFP”** means the Request for Proposal dated [●] issued by the Concessioneing Authority to the applicants shortlisted pursuant to the Request for Qualification and includes any addendum / clarifications issued in respect thereof by the Concessioneing Authority.

**“Request for Qualification”** or **“RFQ”** means the Request for Qualification dated [●] issued by the Concessioneing Authority inviting applications in accordance therewith for shortlisting the competent applicants that can subsequently bid for the Project, and includes any addendum / clarifications issued in respect thereof by the Concessioneing Authority.

**“Requisition”** has the meaning ascribed to it in Article 16.3.

**“Royalty”** means the revenue share payable by the Concessionaire to the Concessioneing Authority, pursuant to Article 9.2 hereof.

**“Safety Standards”** means the minimum standards of safety set out in the annexure to Appendix 4 with regards the Project/Project Facilities and Services.

**“Scale of Rates”** means the scale of rates along with the statement of conditions with respect thereto framed and notified by competent authority under the provisions of MPA Act, as applicable.

**“Scheduled Project Completion Date”** means the date on which Project is expected to be completed by the Concessionaire as per Implementation Schedule set forth in Appendix-5.

**“Scope of Work”** means the minimum requirements as to the construction, mechanization, operation and maintenance of the Project and provision of Project Facilities and Services set out in Appendix-4.

**“Selectee”** has the meaning ascribed to it in Article 15.4(b).

**“Senior lenders”** means the financial institutions, multilateral lending agencies, banks, including their trusts and funds, and agents or trustees of debenture holders, including their successors and assignees, who have agreed to guarantee or provide finance to the Concessionaire under any of the Financing Agreements for meeting all or any part of the Total Project Cost and who hold pari passu charge on the assets, rights, title and interests of the Concessionaire.

**“Special Audit”** shall have the meaning assigned to it under Article 9.4.

**“Specified Assets”** means such of the Project Assets which are constructed, acquired or installed after the 5<sup>th</sup> (fifth) anniversary of COD, but no later than the 20<sup>th</sup> (twentieth) anniversary of the Date of Award of Concession; provided that Specified Assets shall not include assets that are part of Scope of Work mentioned in Appendix 4 of Concession Agreement and any improvement on existing assets; provided further that any Specified Assets shall be constructed, acquired or installed by the Concessionaire only with the prior approval of Concessioneing Authority.

**“Statutory Auditors”** means a reputable firm of chartered accountants acting as the statutory auditors of the **Concessionaire** under the provisions of the Companies Act, 2013 including any re-enactment or amendment thereof, for the time being in force, and appointed in accordance with Clause 21.2.2 (a).

**“Substitution Agreement”** means the agreement substantially in the form set out at Appendix-3, to be entered into between the Concessioneing Authority, the Concessionaire and the Senior Lenders.

**“Supporting Project Infrastructure”** means the supporting project facilities and services mentioned in Appendix-19 to be provided by the Concessioneing Authority.

**“Tariff”** means the applicable rate(s) that may be charged by the Concessionaire for and in respect of providing the Project Facilities and Services.

**“Taxes”** means any Indian taxes including GST, excise duties, customs duties, local taxes, cess and any impost or surcharge of like nature (whether Central, State or local) on the goods, materials, equipment and services incorporated in and forming part of the Project charged, levied or imposed by any Government Instrumentality, but excluding any interest, penalties and other sums in relation thereto imposed on any account whatsoever. For the avoidance of doubt, Taxes shall not include taxes on corporate income.

**“Termination Notice”** means the termination notice issued pursuant to Article 16.1 hereof.

**“Termination Payment”** means the amount payable by the Concessioneing Authority to the Concessionaire, under and in accordance with the provisions of this Agreement, upon termination

**“Termination Period”** shall have the meaning as set out under Article 16.1 hereof.

**“Tests”** shall have the meaning assigned to it under Article 6.7 (a) hereof.

**“The Port”** means Visakhapatnam Port.

**“Total Project Cost”** means the capital cost incurred on construction and financing of the Project

and shall be limited to the lowest of:

- a) the capital cost of the Project, as set forth in the Financial Package at the date of Financial Close;
- b) the actual capital cost of the project upon completion approved by Independent Engineer and Statutory Auditor and submitted to Concessioneing Authority at the time of issuing Completion Certificate
- c) A sum of Rs. 66.12 Crore (Rupees Sixty Six Crore and Twelve Lakhs).

provided further that in the event of termination, the Total Project Cost shall be deemed to be modified to the extent of variation in Price Index occurring in respect of Adjusted Equity, as the case may be, in accordance with the provisions of this Agreement

**“Transfer”** means to transfer, sell, assign, pledge, hypothecate, create a security interest in or other encumbrance on, place in trust (voting or otherwise), transfer by operation of law or in any other way dispose of, whether or not voluntarily, the legal or beneficial interest in the equity shares of the Concessionaire.

**“Transfer Date”** means the date of expiry or termination as the case may be, of the Concession Period in accordance with the terms of this Agreement.

**“Transaction Documents”** means collectively the Project Contracts and the Financing Documents.

**“User”** means a person including any vessel or other person, who uses or intends to use the Project or any part thereof, including any or all Project Facilities & Services, on payment of Tariff or in accordance with the provisions of this Agreement and Applicable Laws.

**“Vesting Certificate”** shall have the meaning as set forth in Clause 18.5;

**“WPI”** means the Wholesale Price Index for all commodities as published by the Ministry of Industry, GOI and shall include any index which substitutes the WPI, and any reference to WPI shall, unless the context otherwise requires, be construed as a reference to the WPI published for the period ending with the preceding month.



## **1.2 Other References**

In this Agreement:

**“BIS”** means Bureau of Indian Standards.

**“BS”** means British Standard.

**“CISF”** means Central Industrial Security Force.

**“DIN”** means German Industrial Standard.

**“FEM”** means Federation of Equipment Manufacturers. **“GST”** means Goods and Services Tax

**“IS”** means Indian Standard.

**“ISO”** means International Standards Organization.

**“IEC”** means International Electro Technical Commission.

**“IMDG”** means International Maritime Dangerous Goods.

**“IMO”** means International Maritime Organization.

**“km”** means Kilometre, the unit of length.

**“kWh”** means Kilowatt-hour, the unit of electrical energy.

**“KVA”** means Kilovolt-Ampere, the unit of power.

**“m”** means Metre, the unit of length.

**“mm”** means Millimetre, the unit of length.

**“MT”** means Metric Tonne, the unit of weight.

**“MVA”** means Mega Volt Ampere, the unit of power.

**“MSIHC”** means Manufacture Storage and Input of Hazardous Chemicals.

**“OISD”** means Oil Industry Safety Directorate.

**“VPA”** means Visakhapatnam Port Authority

### 1.3 Interpretations

This Agreement constitutes the entire understanding between the Parties regarding the Project and supersedes all previous written and/or oral representations and/or arrangements regarding the Project. If there is any aspect of the Project not covered by any of the provisions of this Agreement, then and only in that event, reference may be made by the Parties to the bid documents, *inter alia* including the RFP and RFQ documents, issued by the Concessioneing Authority and also including addendums, clarifications given in writing in the pre-bid meetings and the submissions of the Concessionaire, and the bid submitted by the Concessionaire but not otherwise. In case of any contradictions in the terms of this Agreement and any such other bid documents as referred to above, the terms of this Agreement shall prevail.

In this Agreement unless the context otherwise requires:

- a) any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- b) the words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organisations or other entities (whether or not having a separate legal entity);
- c) the table of contents and any headings in this Agreement are for ease of reference only and shall not affect the construction or interpretation of this Agreement;
- d) the words “include” and “including” are to be construed without limitation;
- e) references to “construction” include investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction;
- f) any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- g) any reference to day shall mean a reference to a calendar day;
- h) any reference to month shall mean a reference to a calendar month;
- i) “Recital”, “Article” and “Appendix” shall refer, except where the context otherwise requires, to Articles of and any Appendix to this Agreement. The Appendices to this Agreement shall form an integral part and parcel of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;

- j) any reference at any time to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or novated at the time of such reference;
- k) any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party or the Independent Engineer and/or a Statutory Auditor shall be valid and effectual only if it is in writing under the hands of duly authorized representative of such Party or the Independent Engineer and/or Statutory Auditor, as the case may be, in this behalf and not otherwise;
- l) unless otherwise stated, any reference to any period commencing “from” a specified day or date and “till” or “until” a specified day or date shall include both such days or dates;
- m) unless otherwise specified, any interest to be calculated and payable under this Agreement shall accrue on a Monthly basis and from the respective due dates as provided for in this Agreement;
- n) the damages payable by either Party to the other of them, as set forth in this Agreement, whether on *per diem* basis or otherwise, are mutually agreed genuine pre-estimated loss and damage likely to be suffered and incurred by the Party entitled to receive the same and are not by way of penalty;
- o) time shall be of the essence in the performance of the Parties’ respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;
- p) The rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply; and
- q) any word or expression used in this Agreement, unless defined or construed in this Agreement, shall be construed as per the definition given in General Clauses Act, 1897 failing which it shall bear the ordinary English meaning.

#### **1.4 Measurements and Arithmetic Conventions**

All measurements and calculations shall be in metric system and calculations done to 2 decimal places, with the third digit of 5 or above being rounded up and below 5 being rounded down.

#### **1.5 Ambiguities and Discrepancies**

In case of ambiguities or discrepancies within this Agreement, the following shall apply:

- a) between two Articles of this Agreement, the provisions of specific Articles relevant to the issue under consideration shall prevail over those in other Articles;
- b) between the dimension scaled from the Design and Drawings and its specific written

dimension, the latter shall prevail;

- c) between any value written in numerals and that in words, the latter shall prevail; and
- d) between the provisions of this Agreement and any other documents forming part of this Agreement, the former shall prevail.

## **ARTICLE 2**

### **CONCESSION AND PORT ASSETS**

#### **2.1 Concession**

In consideration of the Concessionaire agreeing to pay to the Concessioneing Authority (a) the License Fee and (b) Royalty, and performing its obligations as set out in this Agreement, the Concessioneing Authority hereby grants to the Concessionaire, subject to the provisions of this Agreement, an exclusive license for designing, engineering, financing, constructing, equipping, operating, maintaining, replacing the Project Facilities and Services as per Scope of Work.

#### **2.2 Concession Period**

The Concession hereby granted is for a period of 30 years including 15 months of Construction Period commencing from Date of Award of Concession during which the Concessionaire is authorized and obliged to implement the Project and to provide Project Facilities and Services as per Scope of work in accordance with the provisions hereof.

Provided that: -

- a) in the event of the Concession being extended by the Concessioneing Authority beyond the said period of 30 years in accordance with the provisions of this Agreement, the Concession Period shall include the period by which the Concession is so extended, and
- b) in the event of an early termination/determination of the Concession/ this Agreement by either Party in accordance with the provisions hereof, the Concession Period shall mean and be limited to the period commencing from the Date of Award of Concession and ending with the date of termination/ determination of the Concession/this Agreement.

Provided further that, the Concessionaire shall, at any time not earlier than 25<sup>th</sup> (Twenty fifth) anniversary of the Appointed Date and no later than 27<sup>th</sup> (Twenty seventh) anniversary of the Appointed Date, intimate the Concessioneing Authority about its interest and request for renewing/ extending the term of this Concession by another period of 10 years. While making such request, the Concessionaire shall submit a confirmation that it is agreeable to participate in the international competitive bidding process for the determination of the Royalty for an additional period of 10 years, in the form and manner, as may be prescribed by the Concessioneing Authority, at such time, and in any such case of international competitive bidding:

- a. the Concessionaire shall have a right to match the highest bid, if its bid is within [10.00%] of the highest bid that may be offered at that time in accordance with the terms and conditions of the bidding documents issued at such time;
- b. the Affiliate(s) of the Concessionaire shall not be qualified, either directly or indirectly, to participate in any such bidding process; and
- c. it is clarified the Concessionaire shall be deemed to be qualified to submit the financial bid without being required to participate in the pre- qualification process and shall not be required to submit any documents for pre-qualification.

Provided further that, in the event the Concessionaire has been in material default of the provisions of this Agreement as a result of which the cumulative damages imposed upon him under the provisions of this Agreement [20%] of the Performance Security, then, the Concessioneing Authority shall not be under any obligation to extend the Concession Period or provide the right to match the highest bid to the Concessionaire in accordance with this Clause 2.2. In any event, at all times, any decision concerning the extension of the Concession Period shall vest with the Concessioneing Authority.

### **2.3 Acceptance of the Concession**

The Concessionaire hereby accepts the Concession and agrees and undertakes to implement the Project and to provide Project Facilities and Services in accordance with the provisions of this Agreement. Subject to and in accordance with the provisions of this Agreement and Applicable Laws and Applicable Permits, the Concessionaire shall at its costs, charges, expenses and risk including but not limited to foreign exchange variation risk if any, conceptualize, design, engineer, finance, construct, equip, operate, maintain and replace the Project/ Project Facilities and Services.

### **2.4 Port's Assets**

- a) In consideration of the Concessionaire agreeing to perform and discharge its obligations as set forth in this Agreement, the Concessioneing Authority hereby grants to the Concessionaire, the exclusive right to enter upon, occupy and use the Project Site and Port's Assets for the purpose of implementing the Project and provision of Project Facilities and Services pursuant thereto in accordance with this Agreement.
- b) The Concessionaire shall at its costs, charges and expenses make such development and improvements in the Project Site and Port's Assets as may be necessary or appropriate for

implementing the Project and providing Project Facilities and Services in accordance with the Agreement, Applicable Laws and Applicable Permits.

## **2.5 Use of Port's Assets**

The Concessionaire shall not without the prior written consent or approval of the Concessioneing Authority use the Project Site and the Port's Assets for any purpose other than for the purposes of the Project/the Project Facilities and Services and purposes incidental thereto as permitted under this Agreement or as may otherwise be approved by the Concessioneing Authority.

## **2.6 Information about Project Site and Port's Assets**

The information about the Project Site and Port's Assets as set out in Appendix 1 and Appendix 2 respectively is provided by the Concessioneing Authority in good faith and with due regard to the matters for which such information is required by the Concessionaire. The Concessioneing Authority agrees to provide to the Concessionaire, upon a reasonable request, any further information relating to the Project Site and Port Assets, which the Concessioneing Authority may now possess or may hereafter come to possess, as may be relevant to the implementation of the Project. Subject to this, the Concessioneing Authority makes no representation and gives no warranty to the Concessionaire in respect of the condition of the Port Assets or the Project Site.

## **2.7 Acceptance of the Port Assets**

The Concessionaire accepts possession of the Port's Assets and Project Site on 'as is where is' basis and confirms having:

- a) inspected the Project Site/Port's Assets, including the berths and all structures thereat and its surroundings;
- b) satisfied itself as to the nature of the climatic, hydrological and general physical conditions of the Project Site/Port's Assets, the nature of the ground and subsoil, the form and nature of the Project Site/Port's Assets, and the nature of the design, work and materials necessary for the performance of its obligations under this Agreement; and
- c) obtained for itself all necessary information as to the risks, contingencies and all other circumstances which may influence or affect the Concessionaire and its rights and obligations under or pursuant to this Agreement.

## **2.8 Peaceful Occupation**

The Concessioneing Authority warrants that the Concessionaire shall, subject to complying with the terms and conditions of this Agreement, remain in occupation of the Project Site and Port's Assets during the Concession Period.



## **ARTICLE 3**

### **CONDITIONS PRECEDENT**

#### **3.1 Conditions Precedent**

The award of the Concession shall be subject to the satisfaction or waiver of the following conditions precedent (the “**Conditions Precedent**”):

- a) The following Conditions Precedent shall be satisfied by the Concessionaire:
  - i. Furnishing of the Performance Guarantee as stipulated in Article 4.1 hereof;
  - ii. Furnishing of copies (certified as true copies by a director of the Concessionaire) of the constituent documents of the Concessionaire;
  - iii. Furnishing of all resolutions adopted by the Board of Directors of the Concessionaire (certified as true copies by a director of the Concessionaire) authorizing the execution, delivery and performance by the Concessionaire of each of the Transaction Documents;
  - iv. Opening the Escrow Account and executing the Escrow Agreement;
  - v. Deleted
  - vi. Furnishing a certificate from its principal officer/director on the shareholding pattern of the Concessionaire;
  - vii. Submission to Concessioning Authority of its Financing Package, Financial Model and Financing Documents for the Project and demonstrating Financial Close for verification that there is no inconsistency/contradiction with the terms & condition of the agreement. Authority, within 15 days shall notify Concessionaire of inconsistency/contradictions, if any, which shall be promptly addressed by the Concessionaire.
  - viii. Procuring and furnishing the following confirmations, in original, from the Applicant/members of Consortium:
    - a) it/they shall at all times comply with the provisions of Article 11.2 in respect of their shareholding in the Concessionaire;
    - b) it/they has/have the financial standing and resources to fund /raise finances for undertaking and implementing the Project in accordance with this Agreement;
    - c) the Applicant is/each of the member of the Consortium is duly organized and validly existing under the laws of the jurisdiction of its incorporation, and has requested the Concessioning Authority to enter into this Agreement with the Concessionaire and has agreed to and unconditionally accepted the terms and conditions set forth in this Agreement;

- ix. Furnishing to the Concessioneing Authority a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability hereof; and
  - x. [Obtaining Applicable Permits as may be required for commencement of Construction Works as set out in Appendix 8].
  - xi. Executed and procured execution of the Substitution Agreement
- b) The following Conditions Precedent shall be satisfied by the Concessioneing Authority:
- i. procurement of the clearances required for the Project, as set out in Appendix- 8; provided that in case any modification/alteration/deviation to the existing environmental clearance is necessitated owing to Concessionaire's requirements, and the same entails a delay in procuring the revised environmental clearance by the Concessioneing Authority beyond the stipulated period of [180] days, such delay shall not be attributable to the Concessioneing Authority in any manner or circumstances whatsoever.
  - ii. handing over physical possession of the Project Site and/or the Port's Assets for the purposes of the Project after procurement of the required clearances as per Cl 3.1 b (i) above and receipt of performance guarantee / security from the Concessionaire with the provision that license fee, goods and service tax etc. shall be paid by Concessionaire from the date of handing over.
  - iii. [provision of or putting in place arrangements for the provision of Supporting Project Infrastructure by the Concessioneing Authority as provided in the Appendix 19.]

**3.2** The aforesaid Conditions Precedent shall be complied with within [180] Days of the date of the Agreement. For the purpose of compliance of Financial Close obligation, Concessionaire, shall not be considered at default if the conditions pending for achieving financial close are only those which are required to be fulfilled by the Concessioneing Authority under Article 3.1(b).

**3.3** Any of the Conditions Precedent set forth in Articles 3.1(a) may be waived fully or partially by the Concessioneing Authority at any time in its sole discretion or the Concessioneing Authority may grant additional time for compliance with these conditions and the Concessionaire shall be bound to ensure compliance within such additional time as may be specified by the Concessioneing Authority. Any of the Conditions Precedent set forth in Articles 3.1 (b) may be waived fully or partially by the Concessionaire at any time in its sole discretion or the

Concessionaire may grant additional time for compliance with these conditions on the basis of a request from the Concessioneing Authority and the Concessioneing Authority shall be bound to ensure compliance within such additional time as may be specified by the Concessionaire.

- 3.4** If the Concessionaire has fulfilled all the Conditions Precedent under Article 3.1(a) including the furnishing of the Performance Guarantee and has not waived or extended the time under Clause 3.3 above, and if the Concessioneing Authority has failed to fulfill the Conditions Precedent to be fulfilled by it under Article 3.1(b) (and which are within the power of the Concessioneing Authority), the Concessioneing Authority shall be liable to pay liquidated damages in a sum calculated at the rate of 0.1% (zero point one per cent) of the Performance Guarantee for each day's delay until fulfilment of the Conditions Precedent subject to a maximum of 5% of the figure mentioned in the Performance Guarantee furnished by the Concessionaire. In such event, having regard to the quantum of damages, the time for the performance shall be deemed to have been extended by the number of days for which the liquidated damages is paid and if, after the extended period the Concessioneing Authority is still not in a position to comply with the Conditions Precedent, then the agreement shall be liable to be terminated as provided for in Clause 3.6 below;
- 3.5** If the Concessioneing Authority has fulfilled all the Conditions Precedent under Article 3.1(b) and has not waived or extended the time under Clause 3.3 above, and if the Concessionaire has failed to fulfil the Conditions Precedent to be fulfilled by it under Article 3.1(a) (and which are within the power of the Concessionaire), the Concessionaire shall be liable to pay liquidated damages in a sum calculated at the rate of 0.1% (zero point one per cent) of the Performance Guarantee for each day's delay until fulfillment of the Conditions Precedent subject to a maximum of 5% of the figure mentioned in the Performance Guarantee furnished by the Concessionaire. In such event, having regard to the quantum of damages, the time for the performance shall be deemed to have been extended by the number of days for which the liquidated damages is paid and if, after the extended period the Concessionaire is still not in a position to comply with the Conditions Precedent, then the agreement shall be liable to be terminated as provided for in Clause 3.6 below;
- 3.6** In the event that the Conditions Precedents are not complied with within the time (including the extended time, if any) in terms of the aforesaid Articles 3.2 to 3.5, this Agreement shall be liable to be terminated. If such termination is on account of failure of the Concessionaire to comply

with the Conditions Precedent, Bid Security shall stand forfeited. If such termination is on account of failure of the Concessioneing Authority, the Concessioneing Authority shall be obliged to return the Bid Security/Performance Guarantee. It is clarified that except for the payment as stipulated in the foregoing Article 3.4 and 3.5 and forfeiture in this Article 3.6, each party hereto shall have no claims against the other for costs, damages, compensation or otherwise.

## **ARTICLE 4**

### **PERFORMANCE GUARANTEE**

#### **4.1 Performance Guarantee**

The Concessionaire shall for due performance of its obligations during the Construction Phase provide to Concessioneing Authority an unconditional and irrevocable E-Bank Guarantee, in favor of the Concessioneing Authority (Beneficiary bank: ICICI Bank, Account No. 6005008974, IFSC: ICIC0000060, Unique Code: VPT521470257) encashable and enforceable at **Visakhapatnam** substantially in the form set forth in Appendix-9 or an irrevocable revolving letter of credit in the form acceptable to the Concessioneing Authority (the “**Performance Guarantee**”). The Performance Guarantee shall be for a sum of Rs.3.306 Crores (Three Crores, Thirty Lakhs and Sixty Thousand Rupees only). Till such time the Concessionaire provides to Concessioneing Authority the Performance Guarantee pursuant hereto, the Bid Security shall remain in full force and effect. The Performance Guarantee, if in the form of a E-Bank Guarantee shall be valid for an initial period of 1 (one) year and shall be renewed 30 (thirty) Days prior to expiry of each year, for an additional term of 1 (one) year. It is clarified that the Concessionaire shall be liable to restore the Performance Guarantee to the full amount in case of part encashment of the same by the Concessioneing Authority. This shall be done within 30 (thirty) Days of any such part encashment. The Performance Guarantee, if in the form of a letter of credit shall be irrevocable and replenished from time to time such that an amount of Rs.3.306 Crores (Three Crores, Thirty Lakhs and Sixty Thousand Rupees only) is available in immediate encashment to the Concessioneing Authority for the entire period of the Construction Phase. The Performance Guarantee furnished under this provision shall be valid until expiry of 6 (six) months from the COD. Failure of the Concessionaire to provide a valid Performance Guarantee and/or restore and maintain the Performance Guarantee in accordance with this Article shall entitle the Concessioneing Authority to forthwith terminate this Agreement and also if relevant, to forfeit the Bid Security.

#### **4.2 Deemed Performance Security**

The Parties expressly agree that upon release of the Performance Security 6 (six) months from the COD, a substitute Performance Security for a like amount shall be deemed to be created as if it is a Performance Security for and in respect of the entire Concession Period (the “**Deemed Performance Security**”). The Deemed Performance Security shall be unconditional and irrevocable, and shall, notwithstanding anything to the contrary contained in Clause 9.5.1, constitute the first and

exclusive charge on an equivalent balance in the Escrow Account and on all amounts due and payable by the Concessionaire to the Concessioneing Authority, and the Concessioneing Authority shall be entitled to enforce the Deemed Performance Security through a withdrawal from the Escrow Account or by making a deduction from the amounts due and payable to it by the Concessionaire in accordance with the provisions of Clause 4.3. For the avoidance of doubt, the Parties agree that no amounts shall be earmarked, frozen or withheld in the Escrow Account for securing payment of any potential damages that may fall due at a subsequent date, and only the amounts which shall have become due and payable by the Concessionaire upon occurrence of a Concessionaire Default shall be liable to appropriation hereunder.

#### **4.3 Appropriation of Deemed Performance Security**

Upon occurrence of a Concessionaire Default, the Concessioneing Authority shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to appropriate the relevant amounts from the Deemed Performance Security as damages for Concessionaire Default. For the avoidance of doubt, the Parties expressly agree that upon the Deemed Performance Security being appropriated, in whole or in part, it shall be deemed to be replenished to the extent of such appropriation.

#### **4.4 References to Performance Security**

References to Performance Security occurring in this Agreement for and in respect of any period prior to the delivery of the Performance Security by the Concessionaire to the Concessioneing Authority, or in respect of any period subsequent to the expiry or release thereof, as the case may be, shall be construed solely for the purposes of calculating the amount of damages payable by the Concessionaire, and the amount so determined shall be appropriated from the Bid Security or Deemed Performance Security, as the case may be.

## **ARTICLE 5**

### **INDEPENDENT ENGINEER**

#### **5.1 Independent Engineer**

- a) Independent Engineer shall be a technical consultancy firm selected in accordance with provisions of the Model Request for Proposals for Selection of Technical Consultants, issued by the Ministry of Finance, GOI vide OM 24(23)/PF-II/2008 dated May 21, 2009, or any substitute thereof. If any panel of such firms is prepared by Indian Ports Association for the purpose, then Independent Engineer shall be selected out of that panel. The Concessioneing Authority shall complete the selection process within a period of 3 months of the date of this Agreement. The Concessioneing Authority shall in the procurement documents published by it, set out in reasonable detail the scope of work as indicated in Appendix 7.
- b) The Independent Engineer selected pursuant to the aforesaid process shall be appointed for a period commencing from the Date of Award of Concession to [the date of expiry of 6 (six) months from the COD. The scope of work of the Independent Engineer shall be substantially as set out in Appendix 7. On expiry or termination of the aforesaid appointment, the Concessioneing Authority shall appoint an Independent Engineer for a further term of 3 (three) years in accordance with the provisions of Appendix 7, and such procedure shall be repeated after expiry of each appointment.
- c) The costs and expenses of the Independent Engineer for their services shall be borne by the Concessioneing Authority and Concessionaire, equally.
- d) If the Concessioneing Authority either on its own or on a report of the Concessionaire has reason to believe that the Independent Engineer is not discharging its duties in a fair, appropriate and diligent manner, the Concessioneing Authority may after giving the Independent Engineer due opportunity of being heard, terminate the appointment of the Independent Engineer and appoint another firm in its place in accordance with the preceding clause (a) above.
- e) If either Party disputes any advice, instruction or decision of the Independent Engineer, the dispute shall be resolved in accordance with the dispute resolution procedure set out in Article 19.
- f) In the event that the Concessioneing Authority has not appointed an Independent Engineer, or the Independent Engineer so appointed has relinquished its functions or defaulted in discharge thereof, the Concessioneing Authority may, in the interim, designate and authorize any person

for a maximum duration of 90 days to discharge the functions of the Independent Engineer in accordance with the provisions of this Agreement, save and except that such person shall not exercise any functions relating to review, comment, approval or inspection as specified in this Agreement for and in respect of the Independent Engineer, and such functions shall be discharged as and when an Independent Engineer is appointed in accordance with the provisions of this Agreement. Provided, however, that nothing contained in this Clause 5.1 (f) shall in any manner restrict the rights of the Concessioneing Authority to enforce compliance of the provisions of this Agreement.



## **ARTICLE 6**

### **PROJECT IMPLEMENTATION**

#### **6.1 Preparation of Designs and Drawings**

The Concessionaire shall at its cost, charges and expenses, prepare the Designs and Drawings in conformity with the Scope of Work.

#### **6.2 Review of the Designs and Drawings**

- a) The Concessionaire shall submit the Designs and Drawings as set out in Appendix 6 for the review of the Independent Engineer. Simultaneously, the Concessionaire shall also provide the Concessioning Authority with a set of the Designs and Drawings.
- b) The Independent Engineer shall review the Designs and Drawings submitted by the Concessionaire and provide its comments/observations and suggestions on the same including the comments/observations of the Concessioning Authority in respect thereof within 21 (twenty one) Days from the date of the receipt of such Designs and Drawings.
- c) In the event that the Independent Engineer/ Concessioning Authority has observed that the Designs and Drawings are not in conformity with the Scope of Work , the Concessionaire shall promptly and without any undue delay revise and resubmit the Designs and Drawings or satisfy the Independent Engineer and Concessioning Authority with regards its compliance.
- d) If the Independent Engineer /Concessioning Authority does not make any observation/comments with respect to the Designs and Drawings submitted to it by the Concessionaire within 21 (twenty one) Days of the submission, it shall be deemed that the Independent Engineer/ Concessioning Authority has no suggestions to make with respect to the Designs and Drawings and the Concessionaire shall be entitled to proceed with the Project accordingly.
- e) The Concessionaire shall not be entitled to any extension of time for completing construction or any other relief on account of delay caused due to providing any clarification or in resubmitting the Designs and Drawings. Provided however the Concessioning Authority at its sole discretion may suitably extend the Construction Phase or provide other relief (excluding any liquidated damages or financial compensation paid by the Concessioning Authority to the Concessionaire) to compensate for any such delay not attributable to the Concessionaire.
- f) The Concessionaire shall not change any Designs and Drawings reviewed by the Independent Engineer /Concessioning Authority under this Agreement, without submitting such revised

Designs and Drawings for the review of the Independent Engineer / and Concessioneing Authority.

- g) Notwithstanding the review by the Independent Engineer, the Concessionaire shall be responsible for any defect and/or deficiency in the Designs and Drawings relating to the Project or any part thereof and accordingly the Concessionaire shall at all times remain responsible for its obligations under this Agreement.
- h) Within 90 (ninety) days of COD, the Concessionaire shall furnish to the Concessioneing Authority and the Independent Engineer a complete set of as-built Drawings, in 2 (two) hard copies and in its editable digital format or in such other medium and manner as may be acceptable to the Concessioneing Authority, reflecting the Project as actually designed, engineered and constructed, including an as-built survey illustrating the layout of the Project and setback lines, if any, of the buildings and structures forming part of Project Facilities.

### **6.3 Construction Phase**

- a) The Concessionaire shall promptly commence and complete the works, including installation of equipment in accordance with the Project Schedule and shall also obtain from the Independent Engineer a certificate as to completion of construction of Project Facilities and Services in accordance with the provisions of this Agreement (“**Completion Certificate**”) not later than 15 months from the date of commencement of the Concession Period.
- b) During the construction period, the Independent Engineer shall inspect the construction works and shall require the Concessionaire to carry out or cause to be carried out Tests as set out in Appendix 7. The remedial measures required to be taken by the Concessionaire, in case of any defects or deficiencies in the Construction works, shall be as set out in Appendix 7.
- c) Concessionaire shall be entitled to approach Concessioneing Authority for permission to use the assets handed over to it by Concessioneing Authority and/or the Project Facilities and Services developed by the Concessionaire for handling cargo during the period between handing over of assets and achievement of COD which shall be allowed as per terms and conditions given in Concession Agreement including payment of Royalty per ton of cargo handled as quoted by the Concessionaire subject to no extension of construction period on this account.

### **6.4 Obligations of the Concessionaire**

Without prejudice to the generality of Article 6.3 and in addition to any of its other obligations under this Agreement, during the Construction Phase, the Concessionaire shall:

- a) arrange for, in a timely manner all necessary financial and other resources required for construction and installation of the Project Facilities and Services.
- b) engage professionally competent Persons for project management and construction and ensure that all works are carried out in compliance with the Construction Standards;
- c) give written notice to the Concessions Authority within 7 (seven) Days of any material modification or change to any of the Financing Documents and/or any Equity Documents and shall simultaneously therewith also furnish copies of such modified/ amended documents to the Concessions Authority. Provided no such modification/amendment will be made if it in any manner whatsoever has the effect of imposing an additional financial obligation or increasing the financial obligation of the Concessions Authority in addition to that contemplated under the Financing Documents provided on Financial Close, without the prior written consent of the Concessions Authority. For avoidance of doubt any such modifications/amendments made without the prior written consent of the Concessions Authority will not be enforceable against the Concessions Authority;
- d) obtain Applicable Permits, comply with Applicable Laws and Applicable Permits and give priority to safety in its construction and planning activities in order to protect life, health, property and environment;
- e) provide to the representative(s) of the Concessions Authority, at reasonable times and upon prior intimation, access to the Project Site to review progress in construction and to ascertain compliance with any of the requirements of this Agreement. Provided that non-inspection by the Concessions Authority of any works shall not, in relation to such works,
  - (i) amount to any consent or approval by the Concessions Authority nor shall the same be deemed to be waiver of any of the rights of the Concessions Authority under this Agreement;
  - and (ii) release or discharge the Concessionaire from its obligations or liabilities under this Agreement in respect of such work;
- f) provide monthly reports on the progress of Construction Works or such other relevant information as may be required by the Independent Engineer;
- g) promptly carry out at its cost such further works as may be necessary to remove any defects or deficiencies observed by the Independent Engineer and ensure timely completion of construction of the Project / the Project Facilities and Services in all respects in accordance with the provisions of this Agreement; and

- h) to ensure safe and timely construction and completion of the Project/Project Facilities and Services, the Concessionaire may, at its cost, interrupt and divert/create barriers on the flow of water or on the road or port traffic, adjacent to the Project Site if such interruption and diversion is imperative for the efficient progress of Construction Works and conforms to Good Industry Practice; provided that such interruption and diversion shall be undertaken by the Concessionaire only with the prior written approval of the Independent Engineer which approval shall not be unreasonably withheld. For the avoidance of doubt, it is agreed that the Concessionaire shall at all times be responsible for ensuring safe operation of Construction Works and shall remove the interruption or diversion within the period specified by the Independent Engineer.

## **6.5 Obligations of the Concessioneing Authority**

In addition to any of its other obligations under this Agreement, during the Construction Phase, the Concessioneing Authority shall:

- a) in matters falling within its authority, grant, the Applicable Permits, approvals and consents as may be required by the Concessionaire and on a best effort basis assist the Concessionaire in obtaining all other Applicable Permits as may be required by the Concessionaire;
- b) make available all records of sub-soil investigations carried out on its behalf in the Port's Assets, if requested by the Concessionaire. It is clarified that the Concessionaire shall be solely responsible for determining the adequacy or otherwise of such investigations and will not in reliance of such records, be entitled to claim any relief under this Agreement;
- c) upon satisfaction as to completion and receipt of Provisional Certificate issued by the Independent Engineer promptly obtain approval of the Collector of Customs, publish requisite notifications in the Official Gazette and declare the Project Facilities and Services as ready for operation in accordance with the provisions of Section 26 of the MPA Act.
- d) upon written request from the Concessionaire, assist the Concessionaire, on a best effort basis, in obtaining immigration clearances, employment permits and residential premises for any foreign personnel engaged or employed by the Concessionaire in connection with the implementation of the Project; and
- e) subject to the Concessionaire / Contractor complying with the requirements under the Applicable Laws including but not limited to payment of customs and any other duty, assist the Concessionaire or Contractor, on a best effort basis, to import into India all items of equipment and materials required for the Project.

## **6.6 Suspension of Works**

- a) Upon recommendation of the Independent Engineer to this effect, the Concessioneing Authority may by notice require the Concessionaire to suspend forthwith the whole or any part of the Construction Works if, in the reasonable opinion of the Concessioneing Authority, such work threatens the safety of the Users or any other person on or about the Project. Provided, however, that in case of an Emergency, the Concessioneing Authority may suo moto issue the notice referred to hereinabove.
- b) The Concessionaire shall, pursuant to the notice under the foregoing provision suspend the Construction Works or any part thereof for such time and in such manner as may be specified by the Concessioneing Authority and thereupon represent to the Concessioneing Authority / Independent Engineer, the remedial measures to remedy the defects notified. The Concessionaire may by notice require the Independent Engineer to inspect such remedial measures forthwith and make a report to the Concessioneing Authority recommending whether or not the suspension hereunder may be revoked. Any dispute as regards the suspension of works or the remedial measures proposed, if cannot resolved within 30 (thirty) Days of the suspension or proposal of the remedial measures, shall be submitted for dispute resolution in accordance with Article 19 hereof.
- c) Subject to the provisions of Clause 14.9, all reasonable costs incurred for maintaining and protecting the Construction Works or part thereof during the period of suspension (the "**Preservation Costs**") shall be borne by the Concessionaire; provided that if the suspension has occurred as a result of any breach of this Agreement by the Concessioneing Authority, the Preservation Costs shall be borne by the Concessioneing Authority.
- d) If suspension of Construction Works is for reasons not attributable to the Concessionaire, the Independent Engineer shall determine any extension of the dates set forth in the project completion schedule to which the Concessionaire is reasonably entitled, and shall notify the Concessioneing Authority accordingly whereupon the Concessioneing Authority shall extend such project completion schedule dates in accordance with the recommendations of the Independent Engineer. In the event that the Scheduled Completion Date is extended pursuant hereto, the Concession Period shall be deemed to be extended by a period equal in length to the period of extension of the Scheduled Completion Date.

## **6.7 Issue of Completion Certificate**

- a) At least 60 (sixty) Days prior to the likely completion of the Project, the Concessionaire shall notify

the Independent Engineer of the date when it intends to commence commercial operations. The Independent Engineer shall then proceed to inspect the Construction Works with the intention of issuing the Completion Certificate and determine and notify to the Concessionaire the schedule and manner of the tests as are specified in Appendix 7 that it shall carry out to ensure that the Project meets with the Construction Standards (“**the Tests**”). The date and time of each of the Tests shall be determined by the Independent Engineer in consultation with the Concessionaire and notified to the Concessioning Authority who may designate its representative to witness the Tests. The Concessionaire shall provide such assistance as the Independent Engineer may reasonably require for conducting the Tests. In the event of the Concessionaire and the Independent Engineer failing to mutually agree on the dates for conducting the Tests, the Concessionaire shall fix the dates by not less than 10 (ten) Days’ notice to the Independent Engineer;

- b) All Tests shall be conducted in accordance with Appendix 7 at the cost and expense of the Concessionaire. The Independent Engineer shall observe, monitor and review the results of the Tests to determine compliance of the Project with specifications and standards and if it is reasonably anticipated or determined by the Independent Engineer during the course of any Test that the performance of the Project or any part thereof does not meet the specifications and standards, it shall have the right to suspend or delay such Test and require the Concessionaire to remedy and rectify the defects or deficiencies. Upon completion of each Test, the Independent Engineer shall provide to the Concessionaire and the Concessioning Authority copies of all Test data including detailed Test results. For the avoidance of doubt, it is expressly agreed that the Independent Engineer may require the Concessionaire to carry out or caused to be carried out additional Tests, in accordance with Good Industry Practice, for determining the compliance of the Project with specifications and standards.
- c) Upon completion of Construction Works and the Independent Engineer determining all the Tests to be successful, it shall forthwith issue to the Concessionaire and the Concessioning Authority a Completion Certificate substantially in the form set forth in Appendix 10;
- d) The Independent Engineer may, at the request of the Concessionaire, issue a provisional certificate of completion substantially in the form set forth in Appendix 10 (the “**Provisional Certificate**”) if the Tests are successful and the Project can be safely and reliably placed in commercial operation though certain works or things forming part thereof are outstanding and not yet complete. The Provisional Certificate shall have appended thereto a list of outstanding items signed jointly by the Independent Engineer and the Concessionaire (the “**Punch List**”) to be completed by the Concessionaire within

a stipulated time. Upon completion of all Punch List items, the Independent Engineer shall conduct tests, if required and issue the Completion Certificate. All items in the Punch List shall be completed by the Concessionaire within 90 (ninety) Days of the date of issue of the Provisional Certificate or such other extended period that the Concessioneing Authority may in its sole discretion determine, failing which the Provisional Certificate shall lose its validity and the Concessioneing Authority shall be entitled to terminate this Agreement;

- e) Without prejudice to the foregoing, if the Concessionaire shall have failed to complete any Construction Works on account of Force Majeure or for reasons solely attributable to the Concessioneing Authority, the Concessioneing Authority may, in its discretion, reduce the scope of Project and the Total Project Cost will be reduced to the same extent. Upon such reduction of Total Project Cost, the obligations of the Concessionaire in respect of such works shall be deemed to have been fulfilled.

## **6.8 Change of Scope**

- a) The Concessioneing Authority may, notwithstanding anything to the contrary contained in this Agreement, require the provision of additional works and services which are not included in the scope of the Project as contemplated by this Agreement (“**Change of Scope**”). Provided no such Change of Scope shall be made in the Construction Phase if it is in the reasonable judgment of the parties hereto likely to delay the completion of the Project such that the Project cannot be completed on the Scheduled Project Completion Date. Provided further, the cost of implementing a single Change of Scope shall not exceed a sum corresponding to [5%] of the Total Project Cost and during the Concession Period the cumulative cost of implementing orders pertaining to Change of Scope shall not exceed a sum corresponding to [20%] of the Total Project Cost ;
- b) If the Concessioneing Authority determines that a Change of Scope is necessary, it shall issue to the Concessionaire a notice specifying in reasonable detail the works and services contemplated thereunder (the “**Change of Scope Notice**”);
- c) Upon receipt of a Change of Scope Notice, the Concessionaire shall, provide to the Concessioneing Authority, the following:
  - i. the adverse impact, if any, which the Change of Scope is likely to have on the Project; and
  - ii. the cost to be incurred by the Concessionaire for and in respect of such Change of Scope;
- d) Upon receipt of the foregoing information, the Concessioneing Authority shall, if it decides to proceed with the Change of Scope, convey its agreement or otherwise of the assessment of the

Concessionaire. If the Concessionaire does not notify any adverse impact of a Change of Scope notified under the Change of Scope Notice within 30 (thirty) Days of the date thereof and/or the Concessioneing Authority does not disagree with the cost assessment of the Concessionaire, the Concessioneing Authority shall issue an order requiring the Concessionaire to proceed with the implementation of such Change of Scope. If an adverse impact is notified by the Concessionaire and/or the Concessioneing Authority disagrees with the cost assessment, the Parties shall in good faith modify the Change of Scope envisaged so as to remove the adverse impact/agree to the cost implication for carrying out the Change of Scope within a period of 30 (thirty) Days of notification of the adverse impact/cost. In the event that the Parties are unable to mutually agree to a Change of Scope and/or the cost of implementing the same, they may seek intervention of the Independent Engineer to resolve the differences and upon the final determination of the desired Change of Scope and its cost implication, the Concessioneing Authority may issue an order to implement the Change of Scope;

- e) The provisions of this Agreement, insofar as they relate to Construction Works and Tests, shall apply mutatis mutandis to the works undertaken by the Concessionaire in respect of a Change of Scope;
- f) Within 7 (seven) Days of an order for Change of Scope being issued, the Concessioneing Authority shall make an advance payment to the Concessionaire of a sum equal to 20% of the cost of Change of Scope as agreed hereunder. The Concessionaire shall, after commencement of work, present to the Concessioneing Authority bills for payment in respect of the works in progress or completed works, as the case may be, supported by such documentation as is reasonably sufficient for the Concessioneing Authority to determine the accuracy thereof. Within 30 (thirty) Days of receipt of such bills, the Concessioneing Authority shall disburse to the Concessionaire after deducting Pro-rata advance payment, such amounts as are certified by the Statutory Auditors as being expended by the Concessionaire for and in respect of implementing Construction Works or procuring equipment following an order for a Change of Scope;
- g) Notwithstanding anything to the contrary contained in this Article 6.8, the Concessioneing Authority may, after giving the Change of Scope Notice to the Concessionaire and considering its reply thereto, decide to seek competitive bids for carrying out the works envisaged in a Change of Scope; provided that the Concessionaire shall have the option of matching the first ranked bid in terms of the selection criteria, subject to payment of 2% of the bid amount to the Concessioneing Authority, and thereupon securing the award of such works or services. For the avoidance of



doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if it has participated in the bidding process and its bid does not exceed the first ranked bid by more than 10% thereof; It is also agreed that the Concessionaire shall provide access, assistance and cooperation to the person who undertakes the works or services hereunder. For the avoidance of doubt, the Concessioneing Authority acknowledges and agrees that it shall not undertake any works or services under this Clause 6.8 (g) if such works or services cause a Material Adverse Effect on the Concessionaire.

- h) If during the pendency of the Agreement, the Concessionaire determines at any time that a Change of Scope is necessary for providing safer and/or improved Project Facilities and Services, it shall by notice in writing request the Concessioneing Authority to consider such Change of Scope. The Concessioneing Authority shall respond within 45 (forty-five) days of receipt of such notice, either accepting such Change of Scope with modifications, if any, or inform the Concessionaire in writing of its reasons for not accepting such Change of Scope. The Concessionaire may implement the Project and provide Project Facilities and Services in accordance with the Change of Scope as may be approved in writing by the Concessioneing Authority and all the provisions of this Article 6 for the Project Implementation shall mutatis mutandis apply. Provided, it is clarified that the provisions contained in Article 6.8. (f) and (g) shall not apply to a Change of Scope required by the Concessionaire.

## **6.9 Liquidated Damages**

Subject to any of the provisions of this Agreement providing for extension of time for performance or excuse from performance, as the case may be, of any of the obligations of the Concessionaire under this Agreement and delays for reasons not attributable to the Concessioneing Authority, the Concessionaire shall pay to the Concessioneing Authority liquidated damages at the rate of [0.1% (zero point one per cent)] of the Performance Guarantee for every Day of delay in fulfilling the specified obligations on or before a Milestone Date including a delay in obtaining the Completion Certificate or the Provisional Certificate on or before the Scheduled Project Completion Date. Provided such liquidated damages shall not in aggregate exceed 5% of the Total Project Cost and unless the delay is in obtaining of the Completion Certificate or the Provisional Certificate, shall not be payable for less than 15 (fifteen) Days of delay from a Milestone Date, in fulfilling a specified obligation. Provided further that in the event COD is achieved on or before the Scheduled Completion Date, the damages paid under this Clause 6.9 shall be refunded by the Concessioneing Authority to the Concessionaire, but

without any interest thereon. The Parties agree that the liquidated damages as provided are a genuine pre-estimate of the damages the Concessioning Authority is likely to suffer and are not by way of a penalty. In case the aggregate delay exceeds 180 (one hundred and eighty) Days or the aggregate liquidated damages paid and/or payable under this provision exceeds the specified limit of 5% of the Total Project Cost, the Concessioning Authority shall be entitled to terminate this Agreement and the consequences of termination as laid down in Article 16.5 shall follow. The Concessioning Authority may, at its discretion recover any amounts with respect to liquidated damages from the Performance Guarantee.

## **ARTICLE 7**

### **OPERATIONS & MAINTENANCE**

#### **7.1 (a) Obligations of the Concessionaire**

In addition to any of its other obligations under this Agreement, the Concessionaire shall manage, operate, maintain and repair the Project Facilities and Services, entirely at its cost, charges, expenses and risk in accordance with the provisions of this Agreement. The Concessionaire's obligations under this Article 7.1 shall include but shall not be limited to the following:

#### **I. Berth and Terminal Operations:**

The Concessionaire shall:

- a) promptly commence operations upon the Project Facilities and Services being declared by the Concessioning Authority as ready for operations;
- b) make efforts to maximise cargo handled so as to achieve optimal utilization of the Project Facilities and Services;
- c) ensure compliance of the Project Facilities and Services at least as per the Scope of Work.;
- d) be free to deploy higher capacity equipment/facilities/ technology, etc. and induct new technology and carry out value engineering for improved productivity and/or improved utilization and/or cost saving of Project assets during the concession period;
- e) ensure that the Project Facilities and Services shall adhere to the Operations and Maintenance Standards and Safety Standards and there is safe, smooth and uninterrupted flow of traffic normal operating conditions;
- f) minimise disruption to traffic in the event of accidents or other incidents affecting the safety and use of the Project Facilities and Services by providing a rapid and effective response and maintaining liaison with emergency services of the Concessioning Authority or other agencies;
- g) make available all necessary financial, technical, technological, managerial and other resources for operation, maintenance, repair and replacement of the Project Facilities and Services in a timely manner;
- h) ensure maintenance of proper and accurate record/data/accounts relating to operations of the Project Facilities and Services and the revenue earned therefrom;
- i) obtain, maintain and comply with Applicable Permits and comply with the Applicable Laws

including those relating but not limited to dock side safety, health, environment and labour;

- j) subject to the provisions of this Agreement, perform, undertake or provide, in connection with the Project, all services which the Concessioneing Authority is authorized to perform, undertake or provide under the provisions of the MPA Act; and
- k) prevent, with the assistance of concerned law enforcement agencies, any encroachment or unauthorized use of the Project Facilities and Services.
- l) Maintenance Dredging upto 12.50 mtrs in front of the Berth upto 50 mtrs is in the scope of the Concessionaire during the entire concession period, provided this draft may be increased in future at the cost and risk of the Concessionaire subject to the approval of the Concessioneing Authority.

## **II. Repairs and Maintenance**

The Concessionaire shall at its own cost:

- a) repair as necessary and maintain the Project Facilities and Services or any part thereof in accordance with the Scope of Work and for this purpose carry out routine preventive measures and maintenance of the Project Facilities and Services including resurveying of pavement, repair structures and repair and refurbish equipment; and
- b) maintain the Project Facilities and Services in accordance with the provisions of this Agreement and Good Industry Practice with the objective of providing adequate service standards and ensuring that the Project Facilities and Services to be transferred to the Concessioneing Authority upon expiry of the Concession Period are in good condition, normal wear and tear excepted.

## **III. Replacement of Equipment**

The Concessionaire shall at its cost, plan for replacement of the equipment well ahead of the time when the utility thereof is reasonably expected to expire and replace the equipment in accordance with Good Industry Practice so as to ensure that the Project facilities and Services commensurate with the Scope of Work, at all times during the Concession Period.

## **IV. Repairs, Replacement or Restoration**

The Concessionaire shall at its own costs, promptly and diligently repair, replace or restore any of the Project Facilities and Services or part thereof which may be lost, damaged, or destroyed for any reason whatsoever.

## **V. Removal / Replacement of Assets**

Except as provided/authorized under this Agreement the Concessionaire shall not, without the prior written intimation to the Concessioneing Authority, remove or replace any assets comprised in the Project Facilities and Services. Such notice shall contain the exact details of the assets that the

Concessionaire intends to remove and/or replace, its reasons for doing so and the likely period for replacement.

#### **VI. Payments to the Concessional Authority**

The Concessionaire shall make/ensure payments to the Concessional Authority as per Article 9.

#### **VII. Access for Inspection**

The Concessionaire shall be obliged to extend all co-operation to Independent Engineer for purposes of verifying that the Project/the Project Facilities and Services are operated and maintained in compliance with the Performance Standards and adhere to the Operations and Maintenance Standards and Safety Standards. Such verification shall be made annually. Additionally, the Concessionaire shall upon prior intimation by the Concessional Authority provide the authorized representatives of the Concessional Authority access to the Port's Assets/the Project Facilities and Services for inspection and review of operations and also to ascertain compliance with any of the requirements under this Agreement. Without prejudice to the generality of this provision, it is agreed that the Concessionaire shall in particular extend all co-operation and information required by the Experts appointed by the Concessional Authority for conducting a safety audit and verifying that the Project/Project Facilities and Services are in strict compliance with the Safety Standards.

#### **VIII. Reports**

The Concessionaire shall provide to the Concessional Authority, Monthly reports on cargo traffic, unit gross output/ discharge rates at berth, daily output rated per vessel, Tariff earned and collected in respect of Project Facilities and Services and effective working time to waiting within 15 (Fifteen) Days following the end of each Month, and any other information relating to operations which the Concessional Authority may require from time to time. If so desired by the Concessional Authority, the Concessionaire shall provide the reports in prescribed formats and in electronic form so as to provide online access to the Concessional Authority and its representatives.

#### **IX. Computer System and Network**

The Concessionaire shall install, operate and maintain such computer system and network (such as Electronic Data Interchange and Port Community System) and follow such protocol as the Concessional Authority may specify from time to time.

#### **X. Security Arrangements**

The Concessionaire may make his own arrangements for security in the Project Site/Port Assets and with respect to the Project provided the Concessionaire shall abide by the security regulations/ procedures

prescribed by the Concessioneing Authority or a Government Authority from time to time. It shall also conform to and assist the Concessioneing Authority or any authority responsible therefor in conforming to the International Ship and Port facility Security Code (“**ISPS Code**”) and such other codes/requirements of International Maritime Organization as may be applicable to India from time to time.

#### **XI. Employment of Personnel**

The Concessionaire shall employ qualified and skilled personnel required to operate the Project Facilities and Services. The terms of employment may be as deemed fit by the Concessionaire and the Concessionaire shall comply with all Applicable Laws and bear all costs in this regard. Without prejudice to the generality of this provision, all requisite approvals for employment of personnel of foreign origin or nationality shall be obtained by the Concessionaire prior to engaging such personnel. Failure to obtain approval will not amount to a Force Majeure Event. All employees shall always remain the Concessionaire’s responsibility.

Further, the Concessionaire shall comply with the requirements of employing the existing personnel/ labour as agreed to and set out in Appendix 11<sup>23</sup>. All labour law compliances shall be that of the Concessionaire alone.

#### **XII. Minimum Guaranteed Cargo**

The Concessionaire hereby unconditionally guarantees the Concessioneing Authority annual cargo of the levels set out in Appendix 13 (“**Minimum Guaranteed Cargo**”) and agrees that except as provided in this Agreement, it shall not be entitled to any relaxation of its guarantee in this respect.

#### **XIII. Indemnity against Claims for Loss of Goods**

Notwithstanding anything contained in the MPA Act or any other law for the time being in force, the Concessionaire shall be responsible for meeting any claim, action, suit or proceeding (the “**Action**”) by any third party alleging the loss, destruction or deterioration of goods of which charge has been taken by the Concessionaire and indemnify, save and hold harmless the Concessioneing Authority, its officers, employees, agents and representatives (the “**Indemnitees**”) against all claims which may be asserted against or suffered and legal fees and costs incurred and which relate to any such goods, provided that notice of the Action received by the Indemnitee(s) shall be forwarded to the Concessionaire expeditiously and in any case within 7 (Seven) Days of the receipt thereof by any of the Indemnitees. Provided further that the Indemnitees shall have the right but not the obligation, to contest, defend and litigate any Action by any third party alleged or asserted against any of such Indemnitees in respect of, resulting from, related to or arising out of any matter for which it is to be indemnified hereunder, and

reasonable costs and expenses thereof shall be indemnified by the Concessionaire. If the Concessionaire acknowledges in writing its obligation to indemnify the Indemnitees in respect of loss to the full extent, the Concessionaire shall be entitled, at its option, to assume and control the defence of such Action at its expense and through the counsel of its choice; provided it gives prompt notice of its intention to do so to the Indemnitees and reimburses to them for the reasonable cost and expenses incurred by them prior to the assumption of such defence by the Concessionaire. In such case the Indemnitees shall not be entitled to settle or compromise any Action without the prior written consent of the Concessionaire, which consent shall not be unreasonably withheld or delayed. This indemnity shall survive termination of this Agreement.

#### **XIV. Maintenance of Complaint Portal**

- a) The Concessionaire shall maintain a “Complaint Portal” on its website which shall be available to all users of the Project Facilities and Services who shall be duly informed about availability of the provision for lodging of complaints. The Complaint Portal will also be linked to the Concessions Authority website with an alert system for real time access to the complaints.
- b) Concessionaire shall take action for just and fair redressal of the grievance and submit a reply to the complainant within thirty days from the date of receipt with a copy to Authority and maintain a proof of reply.
- c) If Concessionaire fails to address the grievance and the complaint makes a reference to Concessions Authority, it will issue directions which shall be complied by the Concessionaire.

### **7.1 (b) Rights of Concessionaire**

#### **I. Refinancing**

Upon request made by the Concessionaire to this effect, the Concessions Authority shall, in conformity with any regulations or guidelines that may be notified by the Government of India or the Reserve Bank of India and other competent authority as applicable, as the case may be, permit and enable the Concessionaire to secure refinancing, in whole or in part, of the Debt Due on such terms as may be agreed upon between the Concessionaire and the entity providing such refinancing; provided, however, that the refinancing hereunder shall always be subject to the prior written consent of the Concessions Authority, which consent shall not be unreasonably withheld. For the avoidance of doubt, the tenure of debt refinanced hereunder may be determined mutually between the Senior Lenders and the Concessionaire, but the repayment thereof shall be completed no later than 1 (one) year prior to expiry of the Concession Period.

## **II. Preferential and Priority Berthing**

Normally, except for the priority and preferential berthing that may be authorized in terms of guidelines issued by the Government from time to time, the Concessionaire shall manage and operate the Project Facilities and Services on a first come - first serve, common-user basis, open to any and all shipping lines, importers, exporters, shippers, consignees and receivers, and refrain from indulging in any unfair or discriminatory practice against any user or potential user thereof. However, if there is a requirement to offer preferential or priority berthing to any one or more shipping lines or vessel owners/operators to optimize the use of the Project Facilities and Services, it shall be done in accordance with the priority berthing norms agreed in writing between Concessionaire and Concessioning Authority

## **III. Unclaimed Cargo**

The Concessionaire may at its cost:

- (a) after obtaining prior written approval of the Commissioner of Customs or other competent Government Authority and in accordance with the provisions of Applicable Law, destroy or dispose off by way of public auction and/or tender, any unclaimed cargo, the charge of which has been taken by Concessionaire under or pursuant to this Agreement, and always subject to provisions of MPA Act and other laws in this regard.
- (b) institute proceedings for recovery of unrealized charges, if any, in its name and/or defend any claim made in respect of such cargo by consignee/owners. The Concessioning Authority agrees to provide all reasonable assistance necessary in this regard to the Concessionaire.

### **7.1 (c) Obligations of the Concessioning Authority**

In addition to any of its other obligations in this Agreement, the Concessioning Authority shall arrange for and provide the following:

#### **i. Marine and Port Services**

The Concessioning Authority shall provide/ cause to be provided, to the Concessionaire, the following services:

- a) scheduling the entry, berthing and sailing of the vessels, pilotage and towage on a non-discriminatory basis subject to priority berthing norms and the sailing schedule as determined by the Deputy Conservator of the Port depending on individual ship characteristics and tidal



conditions;

- b) maintenance of the entrance channel draft at -14.50 m, provided this draft may be increased in future based on mutual agreement between the Concessioneing Authority and Concessionaire(s) on cost sharing and any other aspects subject to such cost sharing mechanisms as may be determined under Clause (i) below
- c) waterside safety and safety of navigation;
- d) provision and maintenance of all general port infrastructure other than those covered under the Concession, necessary for management, operation and maintenance of the Project Facilities and Services;
- e) provide for/put in place arrangements for provision of Supporting Project Infrastructure as provided in Appendix 19;
- f) assist the Concessionaire in securing the assistance of CISF or the relevant Government Authority as may be necessary to prosecute any persons for any offence committed by them within the Project Site; and
- g) evolve mutually acceptable mechanism for sharing of common costs by existing and future terminal operators.

## **ii. Approvals**

The Concessioneing Authority shall promptly grant approvals/ consents sought by the Concessionaire as required under this Agreement subject to the Concessionaire having complied with all Applicable Laws/requirements in this regard.

## **iii. Additional Land, Utilities and facilities.**

In the event of land, utilities and facilities are found to be insufficient by the Concessionaire for providing services as per the Scope of Work at any time during the concession period, the Concessionaire may approach the Concessioneing Authority for providing additional land, utilities and facilities. Concessioneing Authority on being approached by Concessionaire with due justification of the additional land, utilities, facilities requirement as applicable shall consider, subject to availability and provide additional land, utilities and facilities if considered necessary for providing project facilities as per Scope of Work. Even if authority is not in a position to provide additional land, utilities and services, the Concessionaire would not be entitled to any relaxation on the grounds that land, utilities and services are found to be insufficient my Concessionaire for providing services as per Scope of Work.

#### **iv. Reference to Adjudicatory Board**

In the event of Project becoming a Stressed project, Concessioneing Authority may make a reference to Adjudicatory Board, after its constitution as per Article 19.4 of this Agreement, for appraisal and review of the Project to suggest measures to revive the Project.

#### **7.1(d) Rights of Concessioneing Authority**

- i. If in the reasonable opinion of the Concessioneing Authority, the Concessionaire is in material breach of its obligations under this Agreement for handling of cargo at the Project, the Concessioneing Authority may, without prejudice to any of its rights under this Agreement including termination thereof, by notice require the Concessionaire to take reasonable measures for the handling of cargo.
- ii. In the event that the Concessionaire, upon notice as per 7.1(d) (i) above fails to handle cargo at the Project as per Agreement within a reasonable period, the Concessioneing Authority may take over the performance of any or all the obligations of the Concessionaire to the extent deemed necessary by it for handling of cargo at the Project, at the risk and cost of the Concessionaire and to recover any costs and expenses incurred by the Concessioneing Authority in discharge of its obligations hereunder from the Concessionaire; provided that such taking over by the Concessioneing Authority shall be of no greater scope and of no longer duration than is reasonably required.
- iii. the Concessioneing Authority has the right, to recover the costs specified in Clause 7.1 (d) directly from the Escrow Account as if such costs were O&M Expenses, and for that purpose, the Concessionaire hereby agrees to give irrevocable instructions to the Escrow Bank to make payment from the Escrow Account in accordance with the instructions of the Concessioneing Authority under this Clause 7.1 d (iii) and debit the same to O&M Expenses.

#### **7.2 Utilities and Services**

The Concessioneing Authority shall during the Concession Period provide access to the Concessionaire to all infrastructure facilities and utilities including water, electricity and telecommunication facilities necessary for the implementation, operations and maintenance of the Project/ Project Facilities and Services in accordance with this Agreement, at rates and on terms no less favourable to the Concessionaire than those generally available to commercial customers availing substantially equivalent facilities and utilities. Provided unless otherwise agreed to by the Concessioneing Authority:

- a) the power made available shall be as received by the Concessioneing Authority from Eastern Power Distribution Corporation Ltd (EPDCL). The take off point for electricity shall be from the substation at EPDCL;
- b) the water made available shall be as received by the Concessioneing Authority from Greater Visakhapatnam Municipal Corporation (GVMC). The take off point for water shall be the nearest available water line;
- c) the Concessionaire shall, at its cost, and to the satisfaction of the Concessioneing Authority, install meters to measure the consumption of power and water. The Concessioneing Authority does not warranty the reliability, quality and quantity of water and power and shall not be liable in any manner for the shortage in or non-supply of these utilities;
- d) The Concessionaire may, at its cost, make alternate arrangements for power including but not limited to installation of generators, subject to obtaining Applicable Permits, if any, therefor.
- e) In the event of disruption of power supply or break down in supply of power for any reason whatsoever or for a planned maintenance shut down, no compensation whatsoever shall be paid by the Concessioneing Authority for any loss or damages caused to or suffered by the Concessionaire as a result thereof.
- f) The Right of Way from the substation will be granted to the Concessionaire for laying the electricity cables, communication cables, water supply pipelines etc., on chargeable basis subject to prior approval of the route alignment from the Concessioneing Authority.

### **7.3 Liability for shortfall in performance**

- a) In the event the Concessioneing Authority, whether from the review of reports submitted by the Concessionaire in accordance with the provisions of this Agreement or otherwise, observes that the Project/Project Facilities and Services do not comply with the Performance Standards or fall short of the Performance Standards, the Concessioneing Authority shall calculate the amount of liquidated damages payable by the Concessionaire in accordance with Appendix 14 of this Agreement and demand the Concessionaire by a notice in writing to pay the same within 30 (thirty) Days and on failure of the Concessionaire to pay the same recover the amount from the Concessionaire. Provided that on receipt of the demand the Concessionaire may make a written representation to the Concessioneing Authority which shall be considered by the Concessioneing Authority on merits and the Concessioneing Authority may waive the liquidated damages in part or full, if it is satisfied that the Concessionaire has been carrying out its obligations diligently and efficiently and the shortfall to be waived was on account of reasons beyond the control of the

Concessionaire.

It is clarified that this provision does not prejudice the rights of the Concessions Authority upon a Concessionaire Event of Default as set out in Article 15 including the Concessions Authority's right to terminate this Agreement which shall remain unaffected.

- b) In the event the Concessionaire, with adequate supporting documentation, represents that the provision of services by Concessions Authority do not comply with the Performance Standards or fall short of the Performance Standards mentioned in Appendix 18, the Concessionaire shall calculate the amount of liquidated damages payable by the Concessions Authority in accordance with Appendix 18 of this Agreement and demand the Concessions Authority by a notice in writing to pay the same within 30 (thirty) Days and on failure of the Concessions Authority to pay the same, recover the amount from the Concessions Authority. Provided that on receipt of the demand, the Concessions Authority may make a written representation to the Concessionaire which shall be considered by the Concessionaire on merits and the Concessionaire may waive the liquidated damages in part or full, if it is satisfied that the Concessions Authority has been carrying out its obligations diligently and efficiently and the shortfall to be waived was on account of reasons beyond the control of the Concessions Authority.

## **ARTICLE 8**

### **TARIFF**

#### **8.1 Applicable Tariff**

Concessionaire shall fix the Tariff based on market conditions and on such other conditions, if any, as may be notified and made applicable by a competent authority, under the provisions of the Tariff Guidelines 2021 for the Future PPP Concessionaires dated 21.12.2021.

#### **8.2 Levy and Recovery of the Tariff**

The Concessionaire shall be entitled to recover Tariff from the users of the Project Facilities and Services as per the Tariff set by the Concessionaire as per Clause 8.1. The Concessionaire shall, subject to Clause 8.3 hereunder, deposit all Tariff and other receipts in relation to the Project Facilities and Services in the Escrow Account and shall not make any such deposits to any other account either of the Concessionaire or of any other person.

#### **8.3 Collection of Cesses and Charges**

The Concessionaire shall collect all cesses and charges including infrastructure cess, if any levied on the users as notified by a competent authority, and as may be requested by the Concessioneing Authority, on behalf of the Concessioneing Authority and remit the same to the Concessioneing Authority. Provided, the Concessionaire shall be duly authorized by the Concessioneing Authority or such other authority as may be competent in this regard, for the purpose of such collection.

## **ARTICLE 9**

### **PAYMENTS TO THE CONCESSIONING AUTHORITY**

#### **9.1 License Fee**

- a) The Concessionaire shall, as consideration for the use, in its capacity as a bare licensee of the Project Site and the equipment comprised in the Port's Assets, made available in accordance with Article 2.4, pay to the Concessioneing Authority Re 1 (the "**License Fee**").
- b) The License Fee shall be due and payable in advance every year starting from [Date of Award of Concession or any other date specified by Concessioneing Authority falling after Date of Award of Concession].

#### **9.2 Payments of Royalty**

- a) The Concessionaire shall pay to the Concessioneing Authority Royalty per Month equal to Rs.\*\*\*\*\* per MT of cargo handled during the month ("**the Royalty**"), provided if actual annual MT of cargo handled is lesser than Minimum Guaranteed Cargo as per Clause 7.1 a (xii) the Minimum Guaranteed Cargo shall be considered for calculation of applicable Royalty and any shortfall in Royalty thus calculated shall be payable along with the Royalty payment of the last month of the Financial Year.
- b) In case any discount or incentives are mandated by Government Authorities to be applicable on certain cargo types or nature of cargoes, the Royalty Payments for such cargo types handled by the Concessionaire shall be subjected to same level of discounts.
- c) Royalty per MT of cargo will be indexed to as per the variations in the Wholesale Price Index (WPI) annually.
- d) The Royalty for each Month shall be paid on or before the seventh Day of the immediately succeeding Month.
- e) The payment of the Royalty shall commence from the Month in which the Concessionaire commences to provide any Project Facilities and Services and shall be irrespective of COD.
- f) The Royalty amounts remaining unpaid on respective due dates would carry interest a rate equal to 3% above the Bank Rate per annum from the due date till the date of payment or realization thereof.

### 9.3 Additional Utilities or Services

The Concessionaire shall also pay rent or other charges for any additional land (other than the Project Site/Project Assets) or additional utilities or services, made available by the Concessioneing Authority to the Concessionaire in accordance with Article 7.1(iii) as per the terms, conditions and covenants including on payment of rates specified by the Concessioneing Authority. Such rates shall be equal to 1.20 times the Schedule of Rates. The charges in case of additional land will be 1.20 times of Schedule of rates as applicable at the time of giving additional land, where the fees is paid on half year/ yearly basis, it may also contain an escalation clause as in Bidding Documents but periodic review of SOR, if any will not be applicable. The present rates applicable in respect of land, utilities and services are set out in Appendix 12.

### 9.4 Certified Accounts

During the subsistence of this Agreement, the Concessionaire shall maintain all documents and supporting evidences for its financial statements including agreements and documents with respect to all capital and debt raised by the Concessionaire, capital and revenue expenses towards the Project, ship/vessel/user wise information, and, as relevant, the details of cargo handled by category, tariffs charged and the amount of rates received. The Concessionaire shall submit to the Concessioneing Authority a financial statement including quantity (MT) of cargo handled for every 6 (six) monthly period ending 30<sup>th</sup> September and 31<sup>st</sup> March every year, duly certified by its Statutory Auditors. The certificate must be furnished within 90 (Ninety) Days of the end of each such period.

The Concessioneing Authority shall, at its own cost, have the option to appoint another firm of chartered accountants duly licensed to practice in India (the “**Additional Auditor**”) and empaneled by CAG to conduct a special audit of the quantity (MT) of cargo handled and the financial statements, documents and supporting evidences thereto and compliances as may be mandated by or arising out of the Concession Agreement and report to the Concessioneing Authority such information as may be desired by the Concessioneing Authority for any period and the quantity (MT) of cargo handled (“**Special Audit**”).

In the event that the quantity (MT) of cargo handled reported by the Additional Auditor is higher than that reported by the Statutory Auditor, the auditors shall meet to resolve such differences and if they are unable to resolve the same the Concessionaire shall pay Royalty on the quantity (MT) of cargo handled reported by the Additional Auditor. The Concessionaire shall also pay interest @ 3% above

the Bank Rate on the difference between the Royalty paid by the Concessionaire based on the quantity (MT) of cargo handled reported by the Statutory Auditor and that payable by the Concessionaire based on the quantity (MT) of cargo handled reported by the Additional Auditor for the intervening period between the payment of the Royalties as above. Further, the Concessionaire shall reimburse all costs, charges and expenses related to the Special Audit. Without prejudice to the aforesaid, if the difference between the quantity (MT) of cargo handled reported by the Additional Auditor and that reported by the Statutory Auditor is higher than [5]% the Concessioneing Authority shall at its sole discretion have the right to require a Special Audit for the entire outstanding tenure of the Concession.

## **9.5 Escrow Account**

**9.5.1** The Concessionaire shall, prior to the Date of Award of Concession, open and establish an Escrow Account with a Bank (the “**Escrow Bank**”) in accordance with this Agreement read with the Escrow Agreement.

**9.5.2** The nature and scope of the Escrow Account are fully described in the agreement (“**Escrow Agreement**”) to be entered into amongst the Concessionaire, the Concessioneing Authority, the Escrow Bank and the Senior Lenders through the Lenders’ Representative, which shall be substantially in the form set forth in Appendix 15.

### **9.5.3 Deposits into Escrow Account**

The Concessionaire shall deposit or cause to be deposited the following inflows and receipts into the Escrow Account:

- (a) all monies received in relation to the Project from Banks, other lenders, shareholders and insurance companies;
- (b) all Tariff and any other revenues from or in respect of the Project, including the proceeds of any rentals, deposits, capital receipts or insurance claims;
- (c) all Tariff collected by the Concessioneing Authority in exercise of its rights under the Concession Agreement;
- (d) all payments by the Concessioneing Authority, after deduction of any outstanding License Fee and Royalty; and
- (e) Termination Payment



Provided that the Senior Lenders may make direct disbursements to the EPC Contractor in accordance with the express provisions contained in this behalf in the Financing Documents.

#### **9.5.4 Withdrawals during Concession Period**

At the beginning of every month post COD, or at such shorter intervals as the Lenders' Representative and the Concessionaire may by written instructions determine, the Escrow Bank shall withdraw amounts from the Escrow Account and appropriate them in the following order by depositing such amounts in the relevant Sub-Accounts for making due payments, and if such payments are not due in any month, then retain such monies in such Sub-Accounts and pay out therefrom on the Payment Date(s):

- a) all taxes due and payable by the Concessionaire for and in respect of the Project;
- b) all construction/implementation expenses relating to the Project/Project Facilities and Services, subject to limits if any set out under the Financing Documents;
- c) all expenses related to operations and maintenance of the Project including License Fee, subject to the ceiling, if any, set forth in the Financing Documents;
- d) towards payment of Royalty to the Authority;
- e) towards its debt service obligations under the Financing Documents;
- f) towards payment of other sums payable to the Concessioneing Authority and liquidated damages, if any;
- g) towards any reserve requirements in accordance with the Financing Documents;
- h) balance, if any, in accordance with the instructions of the Concessionaire

#### **9.5.5 Withdrawals upon Termination**

Notwithstanding anything to the contrary contained in this Agreement, all amounts standing to the credit of the Escrow Account shall, upon termination, be appropriated in the following order:

- a) all taxes due and payable by the Concessionaire for and in respect of the Project;
- b) 90% of Debt Due excluding subordinated debt;
- c) all payments of outstanding Licence Fee, Royalties and damages certified by the Concessioneing Authority as due and payable to it by the Concessionaire;

- d) outstanding debt service including the balance of Debt Due excluding subordinated debt;
- e) outstanding subordinated debt;
- f) incurred or accrued operation & maintenance expenses;
- g) any other payments required to be made under this Agreement; and
- h) balance, if any, in accordance with the instructions of the Concessionaire; Provided that no appropriations shall be made under Sub-clause (h) of this Clause 9.5.5 until a Vesting Certificate has been issued by the Concessions Authority under the provisions of Clause 18.5.

The provisions of this Article 9.5 and the instructions contained in the Escrow Agreement shall remain in full force and effect until the obligations set forth in Clause 9.5.5 have been discharged.

#### **9.5.6 Withdrawals upon end of Concession Period**

All amounts standing to the credit of the Escrow Account at the end of the Concession Period shall be appropriated in the following order of priority:

- a) towards taxes and statutory dues payable by the Concessionaire;
- b) compensation to Senior Lenders in terms of the Financing Documents towards discharge of the Concessionaire's liability under such Financing Documents;
- c) all amounts due to the Concessions Authority and amounts payable towards transfer of the Project Facilities and Services by the Concessionaire in accordance with this Agreement; and the Concessionaire shall be at liberty to withdraw any sums outstanding in the Escrow Account after:
  - i) all the aforesaid payments due have been made and/or adequate reserves have been created in respect thereof to the satisfaction of the Senior Lenders and the Concessions Authority;
  - ii) the Escrow Agent has received a confirmation of final settlement by the Senior Lenders and/or Concessions Authority; and
  - iii) Vesting Certificate has been issued by the Concessions Authority under the provisions of Clause 18.5.

**ARTICLE 10**  
**ASSETS: PERMITTED CHARGE**

**10.1 Except as otherwise provided in this Agreement, the Concessionaire shall not assign its rights, title or interest in this Agreement in favour of any Persons without prior written consent of the Concessioneing Authority.**

**10.2 Permitted assignment and charges**

The restraints set forth in Clause 10.1 shall not apply to:

- (a) liens arising by operation of law (or by an agreement evidencing the same) in the ordinary course of business of the Project;
- (b) mortgages/pledges/hypothecation of goods/assets other than Project Assets and their related documents of title, arising or created in the ordinary course of business of the Project, and as security only for indebtedness to the Senior Lenders under the Financing Agreements and/or for working capital arrangements for the Project. For the avoidance of doubt, the Senior Lenders would be entitled to create a lien on the Escrow Account, subject to and without prejudice to the rights of the Concessioneing Authority under this Agreement;
- (c) assignment of rights, interest and obligations of the Concessionaire to or in favour of the Lenders' Representative as nominee and for the benefit of the Senior Lenders, to the extent covered by and in accordance with the Substitution Agreement as security for financing provided by Senior Lenders under the Financing Agreements; and
- (d) liens or encumbrances required by any Applicable Law

## **ARTICLE 11**

### **SHAREHOLDING**

#### **11.1 Ownership Structure**

The Applicant/Consortium has caused the Concessionaire to be incorporated as a special purpose company to implement, operate and maintain the Project/Project Facilities and Services in accordance with this Agreement. The shareholding pattern of Concessionaire/each member of the Consortium in the Concessionaire is [●].

#### **11.2 Shareholding**

The Concessionaire shall ensure that the Applicant/ members of the Consortium maintain Management Control at least until expiry of the one (1) year after COD as also maintain their equity holding in the Concessionaire such that<sup>3</sup>:

- a) Selected Bidder/Consortium Members together with its/their Associates hold not less than 51% of its issued and paid up equity and that no member of Consortium whose technical and financial capacity was evaluated for the purposes of Pre-qualifications in response to Request for Qualification shall hold less than 26% of such equity until expiry of one (1) year after COD. At any time, after expiry of the aforesaid share holding period, lead member can approach Concession Authority for approval proposing a new entity/ consortium. Concession Authority may at its sole discretion consider and approve it subject to the entity/consortium meeting the eligibility criteria as prescribed in Bid Document for the Project;and
- b) M/s [●] (“**Lead Member**”) of the Consortium (original or new as the case may be) legally and beneficially holds at any time not less than 50% of the Consortium’s holding in the paid-up equity capital of the Concessionaire.

Any Transfer of shareholding in the Concessionaire and/or direct or indirect change in the Management Control of the Concessionaire, including by way of a restructuring or amalgamation, shall only be with the prior written approval of the Concessioning Authority which consent shall not be withheld except (i) for reasons of national security; or (ii) [if the Person proposed for assuming such Management Control would by virtue of the restrictions imposed under the

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<sup>3</sup> This provision would be edited depending on whether the bidder is a single applicant or a Consortium. Sub Article (b) will be omitted in case the bidder is a single Applicant.

Applicable Law or the conditions of bidding (including restrictions to avoid anti-competitive and monopolistic practice) and/or public policy be disqualified from undertaking the Project.]

Provided, nothing contained in this Article shall preclude or prevent pledge of shares in the Concessionaire in favor of Senior Lenders as security for the Financial Assistance subject to the enforcement and consequent Transfer thereof only with the prior written consent of the Concessioneing Authority as stated hereinbefore and in accordance with the Financing Documents.

### **11.3 Constituent Documents**

The Concessionaire shall ensure that its articles of association adequately reflect the aforesaid and the relevant commitments, obligations and responsibilities of the Applicant/Consortium.

In particular, the articles of association and the memorandum of association of the Concessionaire shall be amended within 3 (three) months of the Date of Award of Concession to include the terms and conditions regarding the composition of share-holding and management stipulated in this Agreement; and terms and conditions related to changes in the share-holding pattern stipulated in this Agreement. The Concessionaire shall submit the amended articles of association and the memorandum of association to the Concessioneing Authority as soon as may be reasonably possible. Any subsequent change in the articles of association or the memorandum of association which alter the provisions required by this Article shall require the prior approval of the Concessioneing Authority and the articles of association and memorandum of association of the Concessionaire shall include a specific provision to this effect.

## **ARTICLE 12**

### **GENERAL RIGHTS, DUTIES AND OBLIGATIONS**

#### **12.1 Of the Concessionaire**

##### **(a) Applicable Permits**

The Concessionaire shall at all times during the Concession Period maintain and comply with the Applicable Permits.

##### **(b) Taxes & duties**

The Concessionaire shall during the Concession Period pay in a timely manner all taxes, duties, levies, cess and charges including but not limited to income tax, GST, excise duty and customs duty that may be levied, claimed or demanded from time to time by any Government Authority including any increase therein effected from time to time from any Government Authority, in respect of the Project/ the Project Facilities and Services.

##### **(c) Insurance**

###### **i. Insurance Requirement**

The Concessionaire shall effect and maintain at its own cost, during the Concession Period, such insurances for such maximum sums as may be required under the Financing Agreements and Applicable Laws, and such insurances as may be necessary or prudent in accordance with Good Industry Practice. The Concessionaire shall also effect and maintain such insurances as may be necessary for mitigating the risks that may devolve on the Concessioneing Authority as a consequence of any act or omission of the Concessionaire. The Concessionaire shall procure that in each insurance policy, the Concessioneing Authority shall be a co-insured and that the insurer shall pay the proceeds of insurance into the Escrow Account. For the avoidance of doubt, the Parties agree that the level of insurance to be maintained by the Concessionaire after repayment of Senior Lenders' dues in full shall be determined on the same principles as applicable for determining the level of insurance prior to such repayment of Senior Lenders' dues. The Concessionaire shall purchase and maintain insurances as are prudent, including but not limited to the following:

- a) builder's all risk insurance;
- b) loss, damage or destruction of the Project Facilities and Services, at replacement value;
- c) comprehensive third-party liability insurance including injury or death to personnel of the Concessioning Authority and others who may enter the Project Site or the Port's Assets;
- d) workmen's compensation insurance;
- e) marine cum storage cum erection insurance; and
- f) any other insurance that may be necessary to protect the Concessionaire, its employees and its assets and the Concessioning Authority, its employees and agents engaged in or connected to the Project and the Project Site and Port Assets (against loss, damage or destruction at replacement value) including all Force Majeure Events that are insurable and not otherwise covered in items (a) to (e).

## **ii. Insurance Cover & Insurance Companies**

The Concessionaire shall insure all insurable assets comprised in the Port's Assets and/or the Project Facilities and Services and all insurable risks associated with the Project to the extent advisable in accordance with Good Industry Practice ("Insurance Cover").

## **iii. Evidence of Insurance Cover**

The Concessionaire shall, from time to time, provide to the Concessioning Authority copies of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Concessionaire in accordance with this Agreement.

## **iv. Application of Insurance Proceeds**

Subject to the provisions of the Financing Documents, all moneys received under insurance policies shall be promptly applied by the Concessionaire towards repair or renovation or restoration or substitution of the Port Assets and the Project Facilities and Services or any part thereof which may have been damaged or destroyed and in respect of which the claim is lodged. The Concessionaire may designate the Senior Lenders as the loss payees under the insurance policies/assign the insurance policies in their favour as security for the Financial Assistance. The Concessionaire shall carry out such repair or renovation or restoration or substitution to the extent possible in such manner that the Project Facilities and Services or any part thereof, shall, after such repair or renovation or restoration or substitution be as far as possible in the same condition as they were before such damage or destruction, normal wear and tear excepted.

## **v. Validity of the Insurance Cover**

The Concessionaire shall pay the premium payable on such insurance policy(ies) so as to keep the

policy(ies) in force and valid throughout the Concession Period and furnish copies of the same to the Concessioneing Authority. Each insurance policy shall provide that the same shall not be cancelled or terminated unless 10 (ten) Days' clear notice of cancellation is provided to Concessioneing Authority in writing. If at any time the Concessionaire fails to purchase and maintain in full force and effect any and all of the insurances required under this Agreement, the Concessioneing Authority may at its option purchase and maintain such insurance and all sums incurred by the Concessioneing Authority therefor shall be reimbursed with interest @ 3% above Bank Rate per annum by the Concessionaire forthwith on demand, failing which the same shall be recovered by the Concessioneing Authority by exercising right of set off or otherwise.

**vi. Waiver of Subrogation**

All insurance policies procured in terms of the provisions hereof shall include a waiver of any right of subrogation of the insurers there under against, inter alia, the Concessioneing Authority and its assigns and successors and their respective subsidiaries, affiliates, employees and of any right of the insurers of any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy or in any way connected with any loss, liability or obligation covered by such policies of insurance.

**vii. Concessionaire's waiver**

The Concessionaire hereby further releases, assigns and waives any and all rights of subrogation or recovery against, inter alia, the Concessioneing Authority and its assigns, undertakings and their subsidiaries, affiliates, employees, successors, insurers and underwriters, which the Concessionaire may otherwise have or acquire in or from or in any way connected with any loss, liability or obligation covered by policies of insurance maintained or required to be maintained by the Concessionaire pursuant to this Agreement (other than third party liability insurance policies) or because of deductible clauses in or inadequacy of limits of any such policies of insurance.

**(d) Indemnification**

- i. The Concessionaire shall indemnify, defend, save and hold harmless the Concessioneing Authority and its officers, servants, agents, Government Instrumentalities, Designated GOI Agencies and Concessioneing Authority owned and/or controlled entities/enterprises, (the "Government Indemnified Persons") against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expense of whatever kind and nature, whether arising out of any breach by the Concessionaire of any of its obligations under this



Agreement or any related agreement or on account of any defect or deficiency in the provision of services by the Concessionaire to the Concessioneing Authority or any User or from any negligence of the Concessionaire under contract or tort, or on any other ground whatsoever, except to the extent that any such suits, proceedings, actions, demands and claims have arisen due to any negligent act or omission, or breach or default of this Agreement on the part of the Government Indemnified Persons.

- ii. The Concessioneing Authority shall indemnify, defend, save and hold harmless the Concessionaire against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expense of whatever kind and nature arising out of (a) defect in title and/or the rights of the Concessioneing Authority in the land comprised in the Site, and/or (b) breach by the Concessioneing Authority of any of its obligations under this Agreement or any related agreement, which materially and adversely affect the performance by the Concessionaire of its obligations under this Agreement, save and except that where any such claim, suit, proceeding, action, and/or demand has arisen due to a negligent act or omission, or breach of any of its obligations under any provision of this Agreement or any related agreement and/or breach of its statutory duty on the part of the Concessionaire, its subsidiaries, assigns, affiliates, contractors, servants or agents, the same shall be the liability of the Concessionaire.

#### **(e) Engagement of Contractors**

The Concessionaire may engage any Person possessing the requisite skill, expertise and capability of designing, engineering, procurement and construction of civil/ mechanical/electrical engineering structures/equipment, and /or operation and maintenance of the Project Facilities and Services.

Provided:

- i. the Concessionaire shall at all times be solely responsible for all its obligations under this Agreement notwithstanding any such engagement and anything contained in any Project Contracts or any other agreement, and no default under any Project Contract or agreement shall excuse the Concessionaire from its obligations or liability hereunder and the Concessionaire shall at all times be solely responsible for nonperformance or for any defect, deficiency or delay in the construction and erection and/or installation of the structures/equipment or any part thereof and for the operation and maintenance of the Project/the Project Facilities and Services in accordance with the provisions of this Agreement;
- ii. The Concessioneing Authority shall on request by the Concessionaire, assist in obtaining, if required,

security clearance for the Contractor the Concessionaire intends to engage

- iii. the Concessionaire shall ensure that the Project Contracts contain provisions that entitle the Concessioning Authority to step into such contract in its sole discretion in substitution of the Concessionaire in the event of termination or suspension of this Agreement; and
- iv. any contract that it enters with an Affiliate in respect of the Project shall be on an arm's length basis.

**(f) Condition Survey**

- i. The Concessionaire agrees that at least 6 (six) Months prior to the expiry by efflux of time of the Concession Period, it shall, cause to be conducted at its cost by an Independent Engineer, a condition survey and an inventory of the entire Project Facilities and Services. If, as a result of such survey, the Expert shall observe/notice that the Port's Assets and/or the Project Facilities and Services or any part thereof have/has not been operated and maintained in accordance with the requirements therefor under this Agreement (normal wear and tear excepted) the Concessionaire shall, at its cost and expenses, take all necessary steps to put the same in good working condition well before the Transfer Date. In the event the Concessionaire fails to comply with this provision, the Concessioning Authority may itself cause the condition survey and inventory of the Port's Assets and Project Facilities and Services to be conducted and remove any defect or deficiency. The Concessioning Authority shall be promptly reimbursed by the Concessionaire for the costs incurred in conducting such survey and preparation of inventory as also in putting the Project Facilities and Services in a good working condition.
- ii. Deleted

**(g) Compliance to Green Ports policy**

The Concessionaire shall comply with the measures set out in Appendix 20

**12.2 Of the Concessioning Authority**

**(a) Assistance in obtaining Approvals, Permits and Licenses**

The Concessioning Authority shall, at the written request of the Concessionaire, but without guarantees and/or without assuming any responsibility in that behalf, issue recommendatory letters and make best efforts to assist the Concessionaire in obtaining all the Applicable Permits including

renewals thereof. Provided that, nothing contained in this Article shall relieve the Concessionaire of its obligations under this Agreement to obtain the Applicable Permits and to keep them in force and effect throughout the Concession Period.

### **(b) Taxes and Duties**

Any levy or levies including increase therein of taxes, duties, cess and the hike, on account of/in respect of Port's Assets payable to the State Government or any statutory authority shall be met and paid by the Concessioneing Authority.

### **(c) Competing Facilities**

The Concessioneing Authority shall not operationalise any additional facility within Port Limits for handling Anthracite Coal, Sulphur, Rock Phosphate, Limestone, CP Coke, Ammonium Nitrate, Stone Aggregate, Cement, Iron and Steel any other dry bulk cargoes either on its own or through any other Person until the earlier of (i) 5 (five) years from the Scheduled Project Completion Date; or (ii) the average annual volume of cargo handled at the Project Facilities and Services reaches a level of 70% of Project Capacity for 2 (two) consecutive years ("Exclusivity Period"). Provided, this restriction shall not apply to the additional facility envisaged at below:

- 1) Mechanisation of West Quay – 7 & 8 (WQ – 7 and WQ-8) through PPP Mode at Visakhapatnam Port Authority in the Inner Harbour on DBFOT Basis for handling multiple cargoes.
- 2) Revamping of Existing West Quay-6 (WQ-6) terminal in the Northern Arm of Inner Harbour at Visakhapatnam Port for Handling of Dry Bulk Cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.
- 3) Revamping of Existing Mechanized EQ-1 Terminal in the inner harbour of Visakhapatnam Port on DBFOT Basis
- 4) Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth for handling multiple cargos in Inner Harbour of Visakhapatnam Port on DBFOT Basis.
- 5) Development of Multipurpose Terminal (EQ-2 to EQ-5) for handling clean break bulk cargo and container cargo at Inner Harbour of Visakhapatnam Port on DBFOT Basis.
- 6) Mechanisation of EQ-7 Berth through PPP Mode at Visakhapatnam Port Trust in the Inner Harbour on DBFOT Basis for handling multiple cargoes including Fertilizers.
- 7) Extension of existing container terminal at Visakhapatnam Port on DBFOT Basis.
- 8) Development of East Quay-10 (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on DBFOT Basis.

- 9) Laying of conveyor system from West Quay berths to Western Sector in the Inner Harbour of Visakhapatnam Port on DBFOT Basis.
- 10) Up-gradation of existing facility and creation of new facility at Visakhapatnam Port Trust for iron ore handling on DBFOT Basis.
- 11) Mechanisation of coal handling facilities and upgradation of General Cargo Berth (GCB) at outer harbour of Visakhapatnam Port to cater 2,00,000 DWT vessels on DBFOT Basis.
- 12) Mechanisation of West Quay Berths –1, 2 & 3 in the harbour of VPA on PPP mode/ captive policy of PDI's.
- 13) Development, Operation, Management & Maintenance of Cruise Terminal on PPP mod at VPA.

#### **(d) General rights of inspection and verification**

The Concessioneing Authority may during the pendency of the Agreement itself or by Independent Engineer verify the performance of obligations of the Concessionaire as set out in this Agreement.

### **12.3 Of the Concessioneing Authority and the Concessionaire**

#### **(a) Monitoring Arrangement**

The parties shall furnish to each other periodical status reports relating to key milestones and obligations as per Appendix 17 “Monitoring Arrangement”

#### **(b) Compliance with Laws and Regulations**

The Parties shall perform their respective obligations under this Agreement in accordance with the Applicable Laws and Applicable Permits.

#### **(c) Rights to Documents**

##### **i. Concessioneing Authority's Documents**

Documents and computer programs or copies thereof, if any, provided by the Concessioneing Authority to the Concessionaire, shall always remain the property of the Concessioneing Authority. Such documents, computer programs and/or copies shall not be used by the Concessionaire for the purposes other than for the Project. Such documents, computer programs and/or copies thereof shall, unless otherwise agreed upon by the Concessioneing Authority, be returned by the Concessionaire to the Concessioneing Authority on the Transfer Date.

**ii. Concessionaire's Documents**

Documents and computer programs provided by the Concessionaire, or which are developed (and owned by the Concessionaire) for operation and/or maintenance of the Project /the Project Facilities and Services shall be handed over by the Concessionaire to the Concessioneing Authority free of cost on the Transfer Date.

**iii. Confidentiality**

All confidential information and documents (whether financial, technical or otherwise) provided by either Party to the other shall not, unless compelled by law or the process of a Government Authority, be disclosed to any Person without the consent of the other Party with the exception of providing such information to legal advisors/auditors of the concerned party on a need-to-know basis. This covenant shall survive the Concession Period.

**iv. Obligation to Cooperate**

The Parties shall mutually cooperate with each other in order to achieve the objectives of this Agreement.

**v. Substitution Agreement**

The Substitution Agreement envisaged by Appendix 3 hereunder, will/may be executed within 30 (thirty) Days' of notice by the Concessionaire to the Concessioneing Authority of the Senior Lenders' readiness to execute the same.

**ARTICLE 13**  
**CHANGE IN LAW AND CHANGE IN CARGO**

**13.1 Change in Law**

**13.1.1 “Change in Law”** means the occurrence of any of the following after the Bid Date and having Adverse Impact as per the provisions of the Clause 13.1.2 (i):

- a) the enactment of any new Indian law;
- b) the repeal, modification or re-enactment of any existing Indian law or any international treaty to which Government of India is a signatory;
- c) the commencement of any Indian law which has not entered into effect until the Bid Date;
- d) a change in the interpretation or application of any Indian law by a judgement of a court of record which has become final, conclusive and binding, as compared to such interpretation or application by a court of record prior to the Bid Date; or
- e) any change in the rates of any of the Taxes that have a direct effect on the Project;

**13.1.2 The Remedy**

- i. If as a result of Change in Law, the Concessionaire suffers decrease in cargo traffic and reduction in revenue or an increase in costs or reduction in EBITDA or other financial burden, the aggregate financial effect of which results in either (a) reduction by more than 25% of EBITDA in the affected financial year as compared to the average EBITDA of the previous three financial years or from COD till occurrence of Change in Law in case the Project is operational for less than three years from COD and this is enduring in nature due to the effect of Change in Law or (b) an increase in the capital expenditure by more than 20% of the estimations before the occurrence of such Change in Law provided that such an increase in capital expenditure has been certified by the Senior Lender and the Independent Engineer, or (c) during construction period, the purpose for which the Project is being constructed becomes non permissible or unviable due to Change in Law (hereby (a), (b), (c) known as “**Adverse Impact**”), the Concessionaire may so notify the Concessioneing Authority. Upon such notification, the Concessioneing Authority and the Concessionaire shall meet, as soon as reasonably practicable but no later than 30 (thirty) days from the date of notice and set up a Conciliation & Settlement Committee (“**Committee**”);

- ii. The Committee referred above shall conduct its proceedings in accordance with the provisions of Article 19 as if it is an arbitration proceeding under that Article, save and except as provided in this Clause 13.1.2;
- iii. The Committee referred to in this Clause 13.1.2 shall conduct preliminary proceedings to satisfy itself that -
  - (a) A Change in Law has occurred, and this has a Adverse Impact on an enduring basis; and
  - (b) the Change in Law or its effects have not been caused by any Party by any act or omission or negligence on its part, and if the Committee is satisfied that each of the conditions specified hereinabove is fulfilled, it shall issue an order to this effect and conduct further proceedings under this Clause 13.1.2.
- iv. Upon completion of the proceedings referred to in this Clause 13.1.2, the Committee may by a reasoned order make recommendations and setting out the terms of reference which shall be:
  - (a) based on a fair and transparent justification;
  - (b) no greater in scope than is necessary for mitigating the effects of the Change in Law so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in reduction in EBIDTA or increase in capital expenditure as described in 13.1.2 (i);
  - (c) of no greater duration than is necessary for mitigating the effects of the Change in Law; and
  - (d) quantified and restricted in terms of relief or remedy and may include extension of Concession Period or change in cargo as per the provisions of Article 13.2 or both, as the case may be, subject to such extension in the Concession Period is limited to a maximum of [10(ten)] years, or any other remedy as it deem appropriate but shall not include any recommendation of any financial compensation by the Concessioneing Authority to the Concessionaire.
  - (e) Within 15 (fifteen) days of receiving the order and terms of reference referred to in Clause 13.1.2
- v. the Parties shall meet and make efforts in good faith to accept, in whole or in part, the relief or remedy recommended by the Committee for mitigating the effects of the Change in Law and to procure implementation of the Project in accordance with the provisions of this Agreement. In pursuance hereof, the Parties may enter into a Memorandum of Understanding (the “MoU”) setting forth the agreement reached hereunder, and the terms of such MoU shall have force and effect as if they form part of this Agreement.
- vi. Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Parties

may resolve this matter as per the provisions of Article 19. For the avoidance of doubt, it is agreed that this Clause 13.1.2 shall be restricted to changes in law directly affecting the Concessionaire's costs or EBITDA or capital expenditure of performing its obligations under this Agreement.

## **13.2 Change in Cargo**

### **13.2.1 Change of Cargo and business plan due to Change in Law**

- i. If as a result of Change in Law, the Concessionaire is unable to continue to handle the Cargo for which the Concession was originally awarded, the Concessionaire may so notify the Concessions Authority. Upon such notification, the Concessions Authority and the Concessionaire shall meet, as soon as reasonably practicable but no later than 30 (thirty) days from the date of notice and the Committee would assess the aggregate financial effect on the Concessionaire and propose remedies as per the business revival plan (as detailed under Article 13.2.2 (v)) including but not limited to an appropriate extension of the Concession Period and/or the new cargo that the Concessionaire may handle. For avoidance of doubt, it is hereby clarified that any such extension, if applicable, in the Concession Period shall be limited to a maximum of [10 (ten)] years.
- ii. Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Parties may resolve this matter as per the provisions of Article 19.

### **13.2.2 Change in Cargo and business plan due to Unforeseen Events**

- i. Upon occurrence of an unforeseen event, situation or similar circumstances not contemplated or referred to in this Agreement, and which could not have been foreseen by a prudent and diligent person (the “**Unforeseen Event**”), any Party may by notice inform the other Party of the occurrence of such Unforeseen Event with the particulars thereof and its effects on the costs or EBITDA or capital expenditure or revenues of the Project. Within 30 (thirty) days of such notice, the Parties shall meet and make efforts in good faith to determine if such Unforeseen Event has occurred, and upon reaching agreement on occurrence thereof deal with it in accordance with the provisions of this Clause 13.2.2
- ii. Upon determination of the occurrence of an Unforeseen Event, the Parties shall make a reference to the Committee For avoidance of doubt, under this provision, it is hereby clarified that the Independent Engineer shall also be a mandatory member of the Committee.
- iii. Before setting up the Committee, the Concessions Authority shall conduct an impartial and fair ‘performance assessment study’ preferably through a third party to *inter alia* assess (a) whether the



concessionaire has fulfilled its commitments to perform operations of the terminal in a professional manner, (b) whether there are reasons to show 'poor performance' on the part of the concessionaire as per Performance Standards set out in Appendix 14, and (c) whether the status of the project being handled by the concessionaire is already stressed due to reasons other than Unforeseen Event such as financial hardships faced by the concessionaire due to lack of funding, disputes amongst concessionaire consortium members, disputes of concessionaire with 3<sup>rd</sup> parties such as contractors and other such reasons.

- iv. The Committee referred to in this Clause 13.2.2(iii) shall conduct preliminary proceedings to satisfy itself that -
  - (a) an Unforeseen Event has occurred and has an Adverse Impact as defined in Article 13 and which is enduring in nature;
  - (b) the effects of such Unforeseen Event cannot be mitigated without a remedy or relief which is not contemplated in the Agreement; and
  - (c) the Unforeseen Event or its effects have not been caused by any Party by any act or omission or negligence on its part, and if the Committee is satisfied that each of the conditions specified hereinabove is fulfilled, it shall issue an order to this effect and conduct further proceedings under this Clause 13.2.2.
- v. Upon completion of the negotiating proceedings referred to in this Clause 13.2.2, the Committee may undertake or cause to undertake a business revival plan to assess and recommend:
  - (a) The business revival plan with the recommendation of handling of new cargo;
  - (b) Provide recommendation on the viability of the business revival plan after a holistic consideration of all possible risks and rewards to all the stakeholders including but not limited to the Concessioning Authority, Concessionaire, Senior Lenders and Users including but not limited to impact on/of competition at the Port. For avoidance if doubt, it is hereby clarified that in case the business revival plan involves infusion of additional debt, the lenders may have to endorse the business revival plan and provide the same in writing to the Committee;
  - (c) If applicable and accepted by the Concessioning Authority, the new Royalty or the Minimum Guaranteed Traffic from the Concessionaire to the Concessioning Authority;
  - (d) Any other remedies what-so-ever, as mutually agreed by both Parties.

It is hereby clarified that while undertaking the exercise for business revival plan, Committee may make its recommendations:

- (a) based on a fair and transparent justification;
  - (b) no greater in scope than is necessary for mitigating the effects of the Unforeseen Event;
  - (c) of no greater duration than is necessary for mitigating the effects of the Unforeseen Event;  
and
  - (d) based on appropriate due diligence such that there is Concessioning Authority is not subject to undue risks
- vi. The provisions of this Clause 13.2.2 shall be applicable only after 7 (seven) years from COD (vi) Within 15 (fifteen) days of receiving the order and terms of reference referred to in Clause 13.2.2(v), the Parties shall meet and make efforts in good faith to accept, in whole or in part, the relief or remedy recommended by the Committee for mitigating the effects of the Unforeseen Event and to procure implementation of the Project in accordance with the provisions of this Agreement. In pursuance hereof, the Parties may enter into a Memorandum of Understanding (the “MoU”) setting forth the agreement reached hereunder, and the terms of such MoU shall have force and effect as if they form part of this Agreement.
  - vii. Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Parties may resolve this matter as per the provisions of Article 19.

### **13.2.3 Impact of Change in Cargo on the Termination Payment**

- i. Upon allowing changes in cargo as per the provisions of Clause 13.2.2, the Concessionaire shall be required to submit revised masterplan highlighting the financial impact of procurement of movable and non-movable assets due to change in cargo within 60 (sixty) days of Concessioning Authority agreeing to Concessionaire’s request for change in cargo as per the provisions of this Clause 13.2
- ii. The Independent Engineer shall study the revised masterplan and provide its inputs on optimization of capital expenditure and its independent assessment of the type and quantity of existing movable assets which may become redundant due to the impact of change in cargo within 15 (fifteen) days of receipt of the revised masterplan and other relevant inputs from the Concessionaire.
- iii. The Concessioning Authority along with the Senior Lender, if the Senior Lender so wishes, shall appoint a certified asset valuer who shall estimate the residual market value of the redundant movable assets as identified by the Independent Engineer under the provisions of Clause 13.2.3 (ii)
- iv. The Concessioning Authority shall determine the value of the redundant movable assets (“**Residual Asset Value**”) as the higher of:

- i. The book value of such assets as per the books of accounts and certified by the Statutory Auditors of the Concessionaire; and
  - ii. The residual market value assessed by the certified asset value as per provisions of Clause 13.2.3 (iii).
- v. The Concessioneing Authority shall deduct 70% of the Residual Asset Value from the Debt Due and remaining 30% of the Residual Asset Value from the Adjusted Equity, if applicable, from the Termination Payment.
- vi. For avoidance of doubt, it is hereby clarified that the Concessionaire would be free to remove such redundant movable assets from the Project Site.

For avoidance of doubt and for the sake of clarity, the remedy under this Article 13 shall be available on a case- to- case basis only subject to approval by the Committee and the remedy allowed in one Project shall not be applicable to other Projects as a matter of right or precedent, unless such remedy is applicable to the Project in question based on facts, circumstances and the business revival plan of the Concessionaire and is approved by the Committee for that Project.

## **ARTICLE 14**

### **FORCE MAJEURE**

#### **14.1 Force Majeure Event**

As used in this Agreement, Force Majeure Event means the occurrence of any of the Non-Political Events, the Political Events or the Other Events in India, set out in Articles 14.2, 14.3 and 14.4 respectively, if it affects the performance by the Party claiming the benefit of Force Majeure (the “**Affected Party**”) of its obligations under this Agreement and which act or event:

- a) is beyond the reasonable control of the Affected Party
- b) the Affected Party could not have prevented or overcome by exercise of due diligence and following Good Industry Practice; and
- c) prevents the Affected Party from performing or discharging its obligations under this Agreement and thereby has Material Adverse Effect on the Affected Party

#### **14.2 Non-Political Events**

Any of the following events which prevent the Affected Party from performing any of its obligations for a continuous period of not less than 7 (seven) Days from the date of its occurrence, shall constitute a Non-Political Event:

- a) act of God, epidemic, extremely adverse weather conditions, lightning, earthquake, cyclone, flood, volcanic eruption, chemical or radioactive contamination or ionizing radiation, fire or explosion (to the extent of contamination or radiation or fire or explosion originating from a source external to the Project Site and by reasons not attributable to the Concessionaire or the Contractor or any of the employees or agents of the Concessionaire or the Contractor);
- b) strikes or boycotts (other than those involving the Concessionaire, Contractors or their respective employees/representatives, or attributable to any act or omission of any of them), and not being an Other Event set forth in Article 14.4, labour disruptions or any other industrial disturbances not arising on account of the acts or omissions of the Concessionaire or the Contractor;
- c) any failure or delay of a Contractor caused by any of the Non-Political Events, for which no offsetting compensation is payable to the Concessionaire or on behalf of the Contractor;
- d) the discovery of geological conditions, toxic contamination or archeological remains on the Project Site that could not reasonably have been expected to be discovered through a site inspection; or
- e) any event or circumstance of a nature analogous to any of the foregoing.

### **14.3 Political Events**

Any of the following events shall constitute Political Event:

- a) Change in Law for which no relief is provided under the provisions of Article 13, resulting in Adverse Impact;
- b) action of a Government Authority having Material Adverse Effect including but not limited to (i) acts of expropriation, compulsory acquisition or takeover by any Government Authority of the Project/Project Facilities and Services or any part thereof or of the Concessionaire's or the Contractor's rights under any of the Project Contracts, and (ii) any unlawful, unauthorized or without jurisdiction refusal to issue or to renew or the revocation of any Applicable Permits, in each case, for reasons other than the Concessionaire's or the Contractor's breach or failure in complying with the Scope of Work , Applicable Laws, Applicable Permits, any judgment or order of a Governmental Agency of any contract by which the Concessionaire or the Contractor as the case may be is bound;
- c) early determination of this Agreement by the Concessioneing Authority for reasons of national emergency, national security or the public interest;
- d) any failure or delay of a Contractor caused by any of the aforementioned Political Events, for which no offsetting compensation is payable to the Concessionaire by or on behalf of the Contractor; or
- e) any event or circumstance of a nature analogous to any of the foregoing.

### **14.4 Other Events**

Any of the following events which prevents the Affected Party from performing any of its obligations under this Agreement for a continuous period of not less than 7 (seven) Days from the date of its occurrence, shall constitute the Other Event:

- a) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, terrorist or military action, civil commotion or politically motivated sabotage;
- b) industry wide or State-wide strikes or industrial action;
- c) any civil commotion, boycott or political agitation which prevents collection of Fee Tariff by the Concessionaire;

- d) any judgment or order of a court of competent jurisdiction or statutory authority in India made against the Concessionaire or the Contractor in any proceedings which is non-collusive and duly prosecuted by the Concessionaire; and any judgment or order of a court of competent jurisdiction or statutory authority in India made against the Concessionaire or the Contractor in any proceedings which is non-collusive and duly prosecuted by the Concessionaire other than relating to proceedings (i) pursuant to failure of the Concessionaire to comply with any Applicable Law or Applicable Permit, or (ii) on account of breach of any Applicable Law or Applicable Permit or of any contract, or (iii) enforcement of this Agreement or (iv) with respect to exercise of any of its rights under this Agreement by the Concessioneing Authority; or
- e) any event or circumstance of a nature analogous to any of the foregoing.

#### **14.5 Notice of Force Majeure Event**

- a) The Affected Party shall give written notice to the other Party in writing of the occurrence of any of the Force Majeure Event (the “Notice”) as soon as the same arises or as soon as reasonably practicable and in any event within 7 (seven) Days after the Affected Party knew, or ought reasonably to have known, of its occurrence and the adverse effect it has or is likely to have on the performance of its obligations under this Agreement.
- b) The Notice shall inter-alia include full particulars of:
  - i. the nature, time of occurrence and extent of the Force Majeure Event with evidence in respect thereof;
  - ii. the duration or estimated duration and the effect or probable effect which such Force Majeure Event has or will have on the Affected Party’s ability to perform its obligations or any of them under this Agreement;
  - iii. the measures which the Affected Party has taken or proposes to take, to alleviate the impact of the Force Majeure Event or to mitigate the damage; and
  - iv. any other relevant information.
- c) So long as the Affected Party continues to claim to be affected by a Force Majeure Event, it shall provide the other Party with periodic (fortnightly/monthly) written reports containing the information called for by Article 14.5(b) and such other information as the other Party may reasonably request.

## **14.6 Period of Force Majeure**

Period of Force Majeure shall mean the period from the time of occurrence specified in the Notice given by the Affected Party in respect of the Force Majeure Event until the earlier of:

- a) expiry of the period during which the Affected Party is excused from performance of its obligations in accordance with Article 14.7; or
- b) termination of this Agreement pursuant to Article 14.10 hereof.

## **14.7 Resumption of Performance**

During the period of Force Majeure, the Affected Party shall in consultation with the other Party, make all reasonable efforts to limit or mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. The Affected Party shall also make efforts to resume performance of its obligations under this Agreement as soon as possible and upon resumption shall notify the other Party of the same in writing. The other Party shall afford all reasonable assistance to the Affected Party in this regard.

## **14.8 Performance Excused**

The Affected Party, to the extent rendered unable to perform its obligations or part thereof under this Agreement as a consequence of the Force Majeure Event shall be excused from performance of the obligations. Provided that, the excuse from performance shall be of no greater scope and of no longer duration than is reasonably warranted by the Force Majeure Event. Provided further, nothing contained herein shall absolve the Affected Party from any payment obligations accrued prior to the occurrence of the underlying Force Majeure Event.

## **14.9 Costs, Revised Timetable**

### **14.9.1 Costs**

- (a) Upon occurrence of any Force Majeure Event prior to the Date of Award of Concession, the Parties shall bear their respective costs and no Party shall be required to pay to the other Party any costs thereof.
- (b) Upon occurrence of a Force Majeure Event after the Date of Award of Concession, the costs incurred and attributable to such event and directly relating to the Project (the “Force Majeure Costs”) shall

be allocated and paid as follows:

- i. upon occurrence of a Non-Political Event, the Parties shall bear their respective Force Majeure Costs and neither Party shall be required to pay to the other Party any costs thereof;
- ii. upon occurrence of an Other Event, all Force Majeure Costs attributable to such Other Event, and not exceeding the Insurance Cover for such Other Event, shall be borne by the Concessionaire, and to the extent Force Majeure Costs exceed such Insurance Cover, one half of such excess amount shall be reimbursed by the Concessioneing Authority to the Concessionaire; and
- iii. upon occurrence of a Political Event, all Force Majeure Costs attributable to such Political Event shall be reimbursed by the Concessioneing Authority to the Concessionaire. For the avoidance of doubt, Force Majeure Costs may include interest payments on debt, O&M Expenses, any increase in the cost of Construction Works on account of inflation and all other costs directly attributable to the Force Majeure Event, but shall not include loss of revenues from Tariff or debt repayment obligations, and for determining such costs, information contained in the Financial Package may be relied upon to the extent that such information is relevant.

Save and except as expressly provided in this Article 14.9.1, neither Party shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event or exercise of any right pursuant hereto.

#### **14.9.2 Extension of time/period**

- (a) Upon the occurrence of any Force Majeure Event prior to the Date of Award of Concession, the period set forth in Clause 3.2 for fulfilment of Conditions Precedent shall be extended by a period equal in length to the duration of the Force Majeure Event.
- (b) At any time after the Date of Award of Concession, if any Force Majeure Event occurs:
  - i. before COD, the Concession Period and the dates set forth in the Project Completion Schedule shall be extended by a period equal in length to the duration for which such Force Majeure Event subsists; or
  - ii. after COD, whereupon the Concessionaire is unable to collect Tariff despite making best efforts



or it is directed by the Concessioneing Authority to suspend the collection thereof during the subsistence of such Force Majeure Event, the Concession Period shall be extended by a period, equal in length to the period during which the Concessionaire was prevented from collection of Tariff on account thereof; provided that in the event of reduction in collection of Tariff on account of partial inability or suspension, as the case may be, which causes the daily collection to decline below 90% of the Average Daily Tariff, the Concessioneing Authority shall extend the Concession Period in proportion to the loss of Tariff on a daily basis. For the avoidance of doubt, loss of 25% in collection of Tariff as compared to the Average Daily Tariff for 4 (four) days shall entitle the Concessionaire to extension of 1 (one) day in the Concession Period

#### **14.10 Termination Due to Force Majeure Event**

If the period of Force Majeure continues or is in the reasonable judgment of the Parties likely to continue beyond a period of 120 (one hundred and twenty) Days, the Parties may mutually decide to terminate this Agreement or continue this Agreement on mutually agreed revised terms. If the Parties are unable to reach an agreement in this regard, the Affected Party shall after the expiry of the said period of 120 (one hundred and twenty ) Days be entitled to terminate the Agreement in which event, the provisions of Articles 16 and 17 shall, to the extent expressly made applicable, apply.

## **ARTICLE 15**

### **EVENTS OF DEFAULT**

#### **15.1 Events of Default**

Event of Default means the Concessionaire Event of Default or the Concessioneing Authority Event of Default or both as the context may admit or require.

##### **(a) The Concessionaire Event of Default**

The Concessionaire Event of Default means any of the following events unless such an event has occurred as a consequence of the Concessioneing Authority Event of Default or a Force Majeure Event:

- i. the Concessionaire's failure to perform or discharge any of its obligations in accordance with the provisions of this Agreement;
- ii. construction at the Project Site is abandoned for a more than 90 (ninety) Days during the Construction Phase;
- iii. a delay of more than 180 (one hundred and eighty) Days from any Milestone Date in achieving any of the performance obligations set forth for the relevant Milestone Date or the COD is delayed for more than 180 (one hundred and eighty) Days from the Scheduled Project Completion Date;
- iv. Delay in payment of Royalty for 2 (two) consecutive Months or more than (5) (five) times in the aggregate during the Concession Period;
- v. the Concessionaire's failure to perform or discharge any of its obligations under any other Project Contract, which has or is likely to affect the Project/the Project Facilities and Services, materially;
- vi. a default under the O&M Contract, which has or is likely to affect the Project/the Project Facilities and Services, materially;
- vii. the Concessionaire fails to achieve Minimum Guaranteed Cargo for a consecutive period of 3 (three) years.
- viii. any representation made, or warranties given by the Concessionaire under this Agreement is found to be false or misleading;
- ix. the Concessionaire passing a resolution for voluntary winding up;
- x. appointment of a provisional liquidator, administrator, trustee or receiver of the whole or substantially whole of the undertaking of the Concessionaire by a court of competent jurisdiction in proceedings for winding up or any other legal proceedings;

- xi. occurrence of default under the Financing Documents pursuant to which the Senior Lenders exercise their rights to substitute the Concessionaire in accordance with the provisions of the Substitution Agreement;
- xii. levy of an execution or restraint on the Concessionaire's assets which has or is likely to have Material Adverse Effect and/or affect the Project/Project Facilities and Services, materially and such execution or restraint remaining in force for a period exceeding 90 (ninety) Days
- xiii. the Performance Guarantee is not maintained in terms of the provisions hereof;
- xiv. the Concessionaire abandons or expresses its intention to revoke/terminate this Agreement without being entitled to do so as is expressly provided in the Agreement;
- xv. a change in shareholding such that the beneficial interest of the Applicant/Consortium in the Concessionaire reduces below the limits set in Article 11.2 and/or Management Control of the Concessionaire has occurred in contravention of the provisions of Article 11 hereof;
- xvi. amalgamation of the Concessionaire with any other company or reconstruction or transfer of the whole or part of the Concessionaire's undertaking [other than transfer of assets in the ordinary course of business] in contravention with the provisions of Article 11 hereof; and
- xvii. the Concessionaire engaging or knowingly allowing any of its employees, agents, Contractor or representative to engage in any activity prohibited under this Agreement and/or by law or which constitutes a breach of the Agreement or breach of or an offence under any law, in the course of any activity undertaken pursuant to this Agreement.

**(b) The Concessioneing Authority Event of Default**

- i. the Concessioneing Authority's failure to perform or discharge its obligations in accordance with the provisions of this Agreement unless such failure has occurred as a consequence of any Concessionaire Event of Default or a Force Majeure Event.
- ii. any representation made, or warranties given by the Concessioneing Authority under this Agreement is found to be false or misleading.
- iii. appointment of a provisional liquidator, administrator or receiver of the whole or part of the Port's Assets in any legal proceedings initiated against the Concessioneing Authority (unless such proceedings are initiated as a consequence of any Concessionaire Event of Default).
- iv. levy of an execution or restraint on the Port's Assets in any proceedings against the Concessioneing Authority (unless such proceedings are initiated as a consequence of any

Concessionaire Event of Default) which has or is likely to have Material Adverse Effect and such execution or restraint remaining in force for a period exceeding 90 (ninety) Days.

## **15.2 Parties Rights**

- a) Upon the occurrence of the Concessionaire Event of Default, the Concessioneing Authority shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.
- b) Upon the occurrence of the Concessioneing Authority Event of Default, the Concessionaire shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.

Provided that before proceeding to terminate this Agreement, the Party entitled to do so shall give due consideration and shall have due regard to the nature of the underlying Event of Default, its implication on the performance of the respective obligations of Parties under this Agreement and the circumstances in which the same has occurred.

## **15.3 Consultation Notice**

Either Party exercising its right under Article 15.2, shall issue to the other Party a notice in writing specifying in reasonable detail the underlying Event of Default(s) and proposing consultation amongst the Parties and the Senior Lenders to consider possible measures of curing or otherwise dealing with the underlying Event of Default (“**Consultation Notice**”).

## **15.4 Remedial Process**

Following the issue of Consultation Notice by either Party, within a period not exceeding 90 (ninety) Days or such extended period as the Parties may agree (“**Remedial Period**”) the Parties shall, in consultation with the Senior Lenders, endeavour to arrive at an agreement as to the manner of rectifying or remedying the underlying Event of Default. Without prejudice to this, if the underlying event is a Concessionaire Event of Default, the Concessioneing Authority shall in consultation with the Senior Lenders endeavour to arrive at an agreement as to one or more of the following measures and/or such other measures as may be considered appropriate by them in the attendant circumstances:

- a) the change of management or control/ownership of the Concessionaire;

- b) the replacement of the Concessionaire by a new operator (“**Selectee**”) proposed by the Senior Lenders (in terms of the Substitution Agreement), and the specific terms and conditions of such replacement which shall include:
  - i. the criteria for selection of the Selectee;
  - ii. the transfer of rights and obligations of the Concessionaire surviving under this Agreement to the Selectee;
  - iii. handing over/ transfer of the Project Site, the Port’s Assets and the Project Facilities and Services to the Selectee;
  - iv. acceptance by the Selectee of the outstanding obligations of the Concessionaire under the Financing Documents and preserving Senior Lenders’ charge on the Concessionaire’s assets;
  - v. acceptance by the Selectee of any amounts due to the Concessioneing Authority from the Concessionaire under this Agreement; and
  - vi. payment of consideration for the Concessionaire’s assets comprised in the Project Facilities and Services and the manner of appropriation thereof.

### **15.5 Obligations during Remedial Period**

During the Remedial Period, the Parties shall continue to perform their respective obligations under this Agreement which can be performed, failing which the Party in breach shall compensate the other Party for any loss or damage occasioned or suffered on account of the underlying failure/breach.

### **15.6 Revocation of Consultation Notice**

If during the Remedial Period the underlying Event of Default is cured or waived or the Parties and the Senior Lenders agree upon any of the measures set out in Article 15.4, the Consultation Notice shall be withdrawn in writing by the Party who has issued the same.

### **15.7 Termination due to Events of Default**

If before the expiry of the Remedial Period, the underlying Event of Default is neither cured nor waived nor the Parties and the Senior Lenders have agreed upon any of the measures in accordance with Article 15.4, the Party who has issued the Consultation Notice shall have the right to terminate this Agreement, in which event, the provisions of Article 16 and 17 shall, to the extent expressly made applicable, apply.

## **15.8 Concessioneing Authority's Rights of Step-in**

Upon a Termination Notice being issued due to a Concessionaire Event of Default, the Concessioneing Authority may, at its discretion:

- a) re-enter upon and take possession and control of Project Site/Project Facilities and Services forthwith;
- b) prohibit the Concessionaire and any Person claiming through or under the Concessionaire from entering upon/dealing with the Project Facilities and Services;
- c) step in and succeed upon election by Concessioneing Authority without the necessity of any further action by the Concessionaire, to the interests of the Concessionaire under such of the Project Contracts as the Concessioneing Authority may in its discretion deem appropriate with effect from the date of communication of such election to the counter party to the relative Project Contracts.

Provided, that in such circumstances, the Concessioneing Authority shall assume the obligations of the Concessionaire, either by itself or through an operation and maintenance contractor appointed in consultation with the Senior Lenders, with respect to the Senior Lenders during such Remedial Period out of the cash flows of the project. Provided further, the Concessionaire acknowledges that any payments made by the Concessioneing Authority during the Remedial Period shall be adjusted against compensation payable by the Concessioneing Authority to the Concessionaire in terms of the provisions of this Agreement.

## **ARTICLE 16**

### **TERMINATION OF THE CONCESSION/AGREEMENT**

#### **16.1 Termination Procedure**

The Party entitled to terminate this Agreement either on account of a Force Majeure Event or on account of an Event of Default having Material Adverse Effect shall do so by issue of a notice in writing (“**Termination Notice**”) to the other Party and simultaneously deliver a copy thereof to the Senior Lenders. The Termination Notice shall be of not less than 90 (ninety) Days and not ordinarily be more than 180 (one hundred and eighty) Days, (“**Termination Period**”) and at the expiry of the Termination Period, this Agreement shall stand terminated without any further notice.

#### **16.2 Obligations during Termination Period**

During Termination Period, the Parties shall, subject where applicable to the provisions of this Article 16, continue to perform such of their respective obligations under this Agreement which are capable of being performed with the object, as far as possible, of ensuring continued availability of the Project Facilities and Services to the users, failing which the Party in breach shall compensate the other Party for any loss or damage occasioned or suffered on account of the underlying failure/breach.

#### **16.3 Requisition**

Except where the Termination Notice is issued prior to Financial Close being achieved by the Concessionaire, when the Concession has not come into effect the Concessionaire has no right hereunder and no Termination Payment is payable by the Concessions Authority, upon issue or receipt as the case may be of Termination Notice, either as a consequence of a Force Majeure Event or as a consequence of an Event of Default, or otherwise 6 (six) months prior to the expiry of the Concession Period, the Concessions Authority shall by a notice in writing (“**Requisition**”) call upon the Concessionaire to furnish the following information to enable the Concessions Authority to estimate the likely Termination Payment payable by the Concessions Authority to the Concessionaire and/or to finalise the items of Concessionaire’s assets comprised in the Project Facilities and Services to be handed over to/taken over by the Concessions Authority.

- (a) except in cases where no Financial Close has been achieved, the particulars of Debt Due supported by Senior Lenders’ certificate;
- (b) data or records [to be specified by Concessions Authority] regarding the operation and

maintenance of the Project Facilities and Services;

- (c) specifications regarding the Concessionaire's assets comprised in the Project Facilities and Services; and
- (d) any other information or records [to be specified by Concessioneing Authority at its discretion] regarding Concessionaire, its business, the Project/Project Facilities and Services, assets and liabilities.

The Concessionaire shall within a period of 30 (thirty) Days of receipt of Requisition furnish the particulars called for by the Concessioneing Authority.

#### **16.4 Condition Survey**

- a) The Concessionaire agrees that on the service of a Termination Notice or at least 6 (six) months prior to the expiry of the Concession Period, as the case may be, it shall conduct or cause to be conducted under the Concessioneing Authority's supervision, a condition survey of the Project Facilities and Services including the Project Site and/or the Port's Assets to ascertain the condition thereof, verifying compliance with the Concessionaire's obligations under this Agreement and to prepare an inventory of the assets comprised in the Project Facilities and Services. During this period, the designated key personnel of the Concessioneing Authority shall be associated with the operations of the Project Facilities and Services (except when the same is impossible due to a Force Majeure Event) in order to facilitate smooth takeover of the same by the Concessioneing Authority on the Transfer Date.
- b) If, as a result of the condition survey, the Concessioneing Authority shall observe/notice that the Project Site and/or the Port's Assets and/or the Project Facilities and Services or any part thereof have/has not been operated and maintained in accordance with the requirements therefor under this Agreement (normal wear and tear excepted) the Concessionaire shall, at its cost and expenses, take all necessary steps to put the same in good working conditions well before the Transfer Date.
- c) In the event the Concessionaire fails to comply with the provisions of this Agreement, the Concessioneing Authority may itself cause the condition survey and inventory of Port's Assets and the Project Facilities and Services to be conducted. The Concessioneing Authority shall be compensated by the Concessionaire for any costs incurred in conducting such survey and preparation of inventory as also in putting the Project Facilities and Services in good working condition.



## **16.5 Consequences of Termination**

Without prejudice to any other consequences or requirements under this Agreement or under any law:

- a) the Concessionaire shall transfer all the assets and rights upon expiry of the Concession Period by efflux of time or termination of the Agreement due to a Force Majeure Event or on account of an Event of Default in accordance with Article 18;
- b) the Concessions Authority shall be entitled to encash any subsisting bank guarantee(s) provided by the Concessionaire against any amounts owing to the Concessions Authority by the Concessionaire.

Notwithstanding anything contained in this Agreement, except for ensuring the deposit of the Termination Payment payable to the Concessionaire in accordance with Article 17 in the Escrow Account, the Concessions Authority shall not, as a consequence of termination or otherwise, have any obligation whatsoever to any third party including but not limited to obligations as to compensation for loss of employment, continuance or regularization of employment, absorption or re-employment on any ground, in relation to any person in the employment of or engaged by the Concessionaire in connection with the Project, and the handback of the Project Site/Port Assets/Project Facilities & Services by the Concessionaire to the Concessions Authority shall be free from any such obligation.

## **ARTICLE 17**

### **COMPENSATION**

#### **17.1 Compensation**

##### **(a) Termination due to Force Majeure Event**

- i. If the termination is due to a Non Political Event, Termination Payment payable to the Concessionaire shall be 90% of the Debt Due LESS any amount due to the Concessioneing Authority by the Concessionaire under this Agreement LESS all insurance claims received or admitted.
- ii. If the termination is due to an Other Event, Termination Payment payable to the Concessionaire shall be aggregate of:
  - a. Debt Due less Insurance Cover; provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% of such unpaid claims shall be included in the computation of Debt Due;
  - b. 110% of the Adjusted Equity; and
  - c. an amount equivalent to the Additional Termination Payment less Insurance Cover; provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% of such unpaid claims shall be included in computation of the amount payable hereunder.
- iii. If termination is due to a Political Event, Termination Payment payable to the Concessionaire shall be the same as that stipulated for termination due to a Concessioneing Authority Event of Default under Article 17.1 (c).

Provided, no Termination Payment shall be payable to the Concessionaire if the Concessionaire fails to maintain Insurance Cover as contemplated under Article 12 of this Agreement.

##### **(b) Termination due to Concessionaire Event of Default**

- i. If the termination is after the COD, due to a Concessionaire Event of Default, the Termination Payment payable by the Concessioneing Authority to the Concessionaire shall be an amount equal to:
  - a. 90% of the Debt Due less Insurance Cover; and
  - b. 70% of the amount representing the Additional Termination Payment

Provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% of such unpaid claims shall be included in the computation of Debt Due.

For the avoidance of doubt, the Concessionaire hereby acknowledges that no Termination Payment shall be due or payable on account of a Concessionaire Default occurring prior to COD, save and except as provided in Clause 17.1 (b)(ii).

- ii. Upon termination on account of Concessionaire Default during the Construction Period, no Termination Payment shall be due and payable for and in respect of expenditure comprising the first 30% of the Total Project Cost and in the event of expenditure exceeding such 30% and forming part of Debt Due, the provisions of Clause 17.1(b)(i) shall, to the extent applicable to Debt Due, apply in respect of the expenditure exceeding such 30%. For the avoidance of doubt and by way of illustration, the Parties agree that if the total expenditure incurred prior to termination is 90% of the Total Project Cost, the expenditure eligible for computation of Termination Payment hereunder shall be 60% of the Total Project Cost and the Termination Payment due and payable in such event shall not exceed 54% of the Total Project Cost or 90% of the Debt Due.

Provided, no Termination Payment shall be payable to the Concessionaire if the Concessionaire fails to maintain Insurance Cover as contemplated under Article 12 of this Agreement.

### **(c) Termination due to Concessioning Authority Event of Default**

If the termination is due to a Concessioning Authority Event of Default, the Termination Payment payable by the Concessioning Authority shall be equal to the aggregate of:

- (i) Debt Due less Insurance Cover;
- (ii) 150% of the Adjusted Equity; and
- (iii) 115% of the amount representing the Additional Termination Payment

## **17.2 No Compensation on Expiry of Concession Period**

In the event of expiry of Concession by efflux of time (the Concession having run its full course), the Concessionaire shall hand over/ transfer peaceful possession of the Project Site, Port's Assets and the Project Facilities and Services free of cost and Encumbrance.

### **17.3 Transfer Fee and Charges**

Transfer costs, stamp duties, notary fees and taxes, if applicable, for the transfer of the Project Facilities and Services consequent to the expiry or termination of this Agreement shall be borne by:

- a) the Concessionaire in the event of expiry of Concession Period or termination due to a Concessionaire Event of Default;
- b) the Concessioneing Authority in the event of termination due to a Concessioneing Authority Event of Default or Political Event; and
- c) by both parties equally in case of termination due to Change in Law or Non-Political Event or Other Event.

### **17.4 Payment of Compensation to Senior Lenders**

The Concessionaire hereby irrevocably authorises the Concessioneing Authority to pay to the Senior Lenders or at their instruction to any designated bank account in India the Termination Payment payable to the Concessionaire. The Concessionaire confirms that upon such payment being made, the Concessioneing Authority shall stand duly discharged of its obligations regarding payment of Termination Payment under this Agreement and the charge created by the Concessionaire in favour of the Senior Lenders on any of its assets taken over by the Concessioneing Authority shall stand satisfied and all such assets shall on and from the Transfer Date be free from such charge. The Concessionaire further confirms that payment of Termination Payment by Concessioneing Authority in accordance with this Article 17.4 shall be a valid discharge to the Concessioneing Authority in respect of Concessioneing Authority's obligation regarding payment of Termination Payment to the Concessionaire under this Agreement.

Provided notwithstanding anything inconsistent contained in this Agreement, the Concessionaire/the Senior Lenders as the case may be shall be entitled to remove at its/ their cost all such moveables which are not taken over by the Concessioneing Authority and to deal with the same in accordance with their respective rights under law.

Provided further, if there are no amounts outstanding under the Financing Documents and a certificate to that effect issued by the Senior Lenders is furnished by the Concessionaire to the Concessioneing Authority, the Termination Payment shall be paid by the Concessioneing Authority to the Concessionaire directly.

### **17.5 Delayed Payment of Compensation**

Termination Payment shall become due and payable to the Concessionaire within 15 (fifteen) days of a demand being made by the Concessionaire to the Authority with the necessary particulars, and in the event of any delay for reasons other than those attributable to the Concessionaire, the Authority shall pay interest at a rate equal to 3% (three per cent) above the Bank Rate on the amount of Termination Payment remaining unpaid; provided that such delay shall not exceed 90 (ninety) days. For the avoidance of doubt, it is expressly agreed that Termination Payment shall constitute full discharge by the Authority of its payment obligations in respect thereof hereunder. Provided, nothing contained in this Article shall be deemed to authorise any delay in payment of Termination Payment in accordance with this Agreement.

### **17.6 Delayed Transfer of Assets**

If for any reasons other than those attributable to the Concessioneing Authority the Concessionaire fails to transfer assets, rights and contracts on the Transfer Date in accordance with Article 16.5 read with Article 18, there shall be no suspension of the operation and maintenance of the Project Facilities and Services and the Concessionaire shall, as a trustee of the Concessioneing Authority, (a) continue to operate and maintain the Project Facilities and Services or such of them, as directed by Concessioneing Authority until completion of the relative transfer formalities and (b) account for and pay to the Concessioneing Authority the Tariff collected and other revenues derived from the Project minus operating costs and statutory dues, from such operations. In the event of failure to do so, the Concessionaire shall be liable to pay to the Concessioneing Authority, for every Day of delay, liquidated damages computed at the rate of the average daily profits earned during the 3 (three) years immediately preceding the Transfer Date, or from COD till Transfer date in case the Project is terminated less than three years from COD. Parties confirm that this is a true and correct estimate of damages and not in the nature of a penalty. Provided nothing contained in this Article 17.6 shall be deemed or construed to authorise delay in completion of formalities of transfer of assets, rights and contracts by the Concessionaire to the Concessioneing Authority in accordance with the requirements thereof under this Agreement.

In case the transfer of assets by the Concessionaire to the Concessioneing Authority is delayed for reasons attributable to the Concessioneing Authority, the Concessionaire shall nonetheless continue to operate the Project Facilities and Services but as agent of the Concessioneing Authority. Provided

however, the Concessionaire shall be liable to pay Royalty in accordance with Article 9.2.

### **17.7 Remedies Cumulative**

The exercise of right by either Party to terminate this Agreement, as provided herein, shall not preclude, such Party from availing any other rights or remedies that may be available to it under law. All remedies available to the Parties shall be cumulative and the exercise or failure thereof of one or more remedies by any Party shall not limit or preclude the exercise of or constitute a waiver of any other remedies by such Party.

### **17.8 Additional Termination Payment**

Payment due and payable in respect of Specified Assets which are constructed, acquired or installed after the 5th (fifth) anniversary of COD but no later than the 20th (twentieth) anniversary of the Date of Award of Concession, shall be limited to the lowest of:

1. Adjusted Depreciated Value thereof;
2. the replacement value thereof, as assessed by an Approved Valuer, who shall be selected and appointed by the Concessioneing Authority, within 15 (fifteen) days of termination, for submitting his assessment within 30 (thirty) days of his appointment hereunder; and
3. 40% of Total Project Cost.

## **ARTICLE 18**

### **TRANSFER ON EXPIRY OF THE CONCESSION PERIOD**

#### **18.1 General Scope of Transfer/Payment**

The Parties shall perform/discharge their respective obligations to be performed or discharged under the provisions of this Agreement on the Transfer Date in entirety. Without prejudice to the generality of this provision and the provisions of Article 16, the transactions to be consummated and the formalities to be completed by the Parties on the Transfer Date shall be as set out in Articles 18.2 and 18.3.

#### **18.2 Concessionaire's Obligations**

The Concessionaire shall;

- a) hand over peaceful possession of the Project Site, Port's Assets, the Project and the Project Facilities and Services free of Encumbrance;
- b) transfer all its rights, titles and interests in the assets comprised in the Project Facilities and Services which are required to be transferred to the Concessioneing Authority in accordance with this Agreement and execute such deeds and documents as may be necessary for the purpose and complete all legal or other formalities required in this regard;
- c) hand over to the Concessioneing Authority all documents including as built drawings, manuals and records relating to operation and maintenance of the Project Facilities and Services;
- d) transfer technology and up-to-date know-how relating to operation and maintenance of the Port's Assets and/or the Project Facilities and Services;
- e) transfer or cause to be transferred to the Concessioneing Authority any Project Contracts which are (i) valid and subsisting; (ii) capable of being transferred to the Concessioneing Authority; and (iii) those the Concessioneing Authority has chosen to take over, and cancel or cause to be cancelled such Project Contracts not transferred to the Concessioneing Authority. For this purpose, the Concessionaire shall ensure that all Project Contracts are assignable in favor of the Concessioneing Authority without any further action on part of the respective counterparties. The Concessionaire shall entirely at its cost, terminate all such Project Contracts which are not transferred/assigned and/or are not required to be transferred/assigned to the Concessioneing Authority;
- f) at its cost, transfer to the Concessioneing Authority all such Applicable Permits which the Concessioneing Authority may require, and which can be legally transferred. Provided if the

termination is on account of Concessioneing Authority Event of Default the cost of such transfer shall be borne/ reimbursed by the Concessioneing Authority;

- g) at its cost, remove within 90 (ninety) days from expiry of the Concession Period, from the Project Site/Port's Assets, any moveable assets that are not taken over by or not to be transferred to the Concessioneing Authority in terms of the provisions of this Agreement.

### **18.3 Concessioneing Authority's Obligations**

Except in the event of expiry of the Concession by efflux of time, the Concessioneing Authority shall pay Termination Payment payable to the Concessionaire in accordance with Article 17.1 of this Agreement, to the Senior Lenders, or deposit the same in the Escrow Account or on the written instructions of the Senior Lenders to any designated bank account in India, or to the Concessionaire, as the case may be. The Concessionaire confirms that upon such payment being made, the Concessioneing Authority shall stand duly discharged of its obligations regarding payment of compensation under this Agreement and the charge created by the Concessionaire in favour of the Senior Lenders on any of the assets shall stand satisfied and all such assets shall on and from the Transfer Date be free from such charge.

The Concessionaire further confirms that payment of compensation by Concessioneing Authority in accordance with this Article 18.3 shall be a valid discharge to the Concessioneing Authority in respect of Concessioneing Authority's obligation regarding payment of compensation to the Concessionaire under this Agreement.

### **18.4 Risk**

Until transfer in accordance with this Article 18, the Port's Assets and the Project Facilities and Services shall remain at the sole risk of the Concessionaire except for any loss or damage caused to or suffered by the Concessionaire due to any act or omission or negligence on the part of the Concessioneing Authority under this Agreement.

### **18.5 Vesting Certificate**

The divestment of all rights, title and interest in the Project shall be deemed to be complete on the date when all of the obligations under Clause 18.2 and 18.3 hereinabove have been fulfilled, and the Concessioneing Authority shall, without unreasonable delay, thereupon issue a certificate substantially



in the form set forth in Appendix 23 (the “**Vesting Certificate**”), which will have the effect of constituting evidence of divestment by the Concessionaire of all of its rights, title and interest in the Project, and their vesting in the Concessioneing Authority pursuant hereto. It is expressly agreed that any defect or deficiency in the obligations under Clause 18.2 and 18.3 shall not in any manner be construed or interpreted as restricting the exercise of any rights by the Concessioneing Authority or its nominee on, or in respect of, the Project on the footing that all obligations under Clause 18.2 have been complied with by the Concessionaire.

## **ARTICLE 19**

### **DISPUTE RESOLUTION**

#### **19.1 Amicable Settlement**

If any dispute or difference or claims of any kind arises between the Concessioneing Authority and the Concessionaire in connection with construction, interpretation or application of any terms and conditions or any matter or thing in any way connected with or in connection with or arising out of this Agreement, whether before or after the termination of this Agreement, then the Parties shall meet together promptly, at the request of any Party, in an effort to resolve such dispute, difference or claim by discussion between them.

#### **19.2 Deleted**

#### **19.3 Conciliation**

In case any dispute is not resolved amicably as provided in Clause 19.1, the Concessionaire may agree to refer the matter to conciliation & settlement Committee established by the Concessioneing Authority as per provisions contained in Part-III of the Arbitration & Conciliation (Amendment) Act, 2015 (the “**Conciliation & Settlement Committee**”). The standard operating procedures for conciliation and settlement of disputes through the conciliatory process and the constitution of the committee shall be contained in the policy guidelines issued by the Concessioneing Authority on the subject, which shall be in alignment with the provisions contained in Sections 63 and 64 of the Arbitration & Conciliation (Amendment) Act, 2015. In case the recommendations/decision of the committee is not acceptable to the Concessionaire, it shall be free to refer the dispute to arbitration in accordance with the provisions of Clause 19.4 or 19.5.

#### **19.4 Arbitration**

**19.4.1** Any Dispute which is not resolved amicably as provided in Clause 19.1 and/or 19.3 shall be finally settled by arbitration as set forth below: -

- i. The Dispute shall be referred to the Society for Affordable Redressal of Disputes - Ports (hereinafter called as SAROD - Ports). The dispute shall be dealt with in terms of Rules of SAROD - Ports. The detailed procedure for conducting Arbitration shall be governed by the Rules of SAROD - Ports and provisions of Arbitration & Conciliation Act, 1996, as amended from time to time. The Dispute shall be governed by Substantive Law of India.

- ii. The constitution of Arbitral Tribunal, code of conduct for Arbitrators and fees and expenses of SAROD - Ports and Arbitral Tribunal shall also be governed by the Rules of SAROD - Ports as amended from time to time. The rules of SAROD – Ports are placed at Appendix-21
- iii. The seat of Arbitration shall be New Delhi, or a place selected by the Governing Body of SAROD - Ports and the language for all documents and communications between the parties shall be English.
- iv. The expenses incurred by each party in connection with the preparation, presentation, etc., of arbitral proceedings shall be borne by each party itself.

**19.4.2** Any Award made in any arbitration held pursuant to the Article 19 shall be final and binding on the Parties as from the date it is made, and the Concessionaire and the Authority agree and undertake to carry out such Award without delay.

**19.4.3** The Concessionaire and the Concessioneing Authority agree that an Award may be enforced against the Concessionaire or the Concessioneing Authority, as the case may be, and their respective assets wherever situated.

**19.4.4** In the event that the Party against whom the Award has been granted, challenges the Award for any reason in a Court of law, the other Party, subject to the order of the Court, shall be entitled to seek an interim relief as per the provisions of the Arbitration and Conciliation Act or rules made thereunder. The Parties acknowledge and agree that the Arbitration proceedings shall be video recorded and one copy each of the video recording shall be provided to both the parties.

## **19.5 Adjudication by Adjudicatory Board**

In the event of constitution of a statutory Adjudicatory Board or such other forum with powers to receive and adjudicate upon disputes between the Concessionaire and the Concessioneing Authority, all disputes not settled under Clause 19.3 through conciliation, can alternatively be referred to the Adjudicatory Board or such other forum with mutual consent of the parties in accordance with the applicable laws. For avoidance of doubt, parties hereto agree that notwithstanding anything contained herein above, after adjudication by the statutory Adjudicatory Board or such other forum, the parties cannot refer the dispute, difference or controversy of whatsoever nature again under Clause 19.4 and the adjudication hereunder shall be final and binding.

## **ARTICLE 20**

### **REPRESENTATIONS AND WARRANTIES**

#### **20.1 Representations and Warranties of the Concessionaire**

The Concessionaire represents and warrants to the Concessioneing Authority that:

- a) it is duly organised, validly existing and in good standing under the laws of India and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- c) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- d) this Agreement constitutes the legal, valid and binding obligation of the Concessionaire, enforceable against it in accordance with the terms hereof;
- e) there are no actions, suits or proceedings pending or to its best knowledge, threatened against or affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Agreement;
- f) it has the financial standing and capacity to undertake the Project in accordance with the terms of this Agreement;
- g) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its memorandum of association and articles of association or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;
- h) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Authority which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement;
- i) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a Material Adverse Effect on its ability to perform its obligations under this

Agreement;

- j) all its rights and interests in the Project/Project Facilities and Services shall pass to and vest in the Concessioning Authority on the Transfer Date free and clear of all liens, claims and Encumbrances, without any further act or deed on its part or that of the Concessioning Authority, and that none of the Project Assets shall be acquired by it, subject to any agreement under which a security interest or other lien or Encumbrance is retained by any person, save and except as expressly provided in this Agreement;
- k) no representation or warranty by it contained herein or in any other document furnished by it to the Concessioning Authority including the Bid or to any Government Authority in relation to Applicable Permits contains or will contain any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading;
- l) no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing the Concession or entering into this Agreement or for influencing or attempting to influence any officer or employee of the Concessioning Authority in connection therewith;
- m) agrees that the execution, delivery and performance by it of this Agreement and all other agreements, contracts, documents and writings relating to this Agreement constitute private and commercial acts and not public or governmental acts; and
- n) consents generally in respect of the enforcement of any judgement against it in any proceedings in any jurisdiction to the giving of any relief or the issue of any process in connection with such proceedings.

## **20.2 Representations and Warranties of the Concessioning Authority**

The Concessioning Authority represents and warrants to the Concessionaire that:

- a) it is duly organised, validly existing and in good standing under the laws of India;
- b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- c) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- d) this Agreement constitutes the legal, valid and binding obligation of the Concessioning Authority, enforceable against it in accordance with the terms hereof; and
- e) there are no actions, suits or proceedings pending or to its best knowledge, threatened against or

affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Agreement.

### **20.3 Disclosure**

In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any obligation of either Party under this Agreement.

## **ARTICLE 21**

### **MISCELLANEOUS PROVISIONS**

#### **21.1 Datum**

The datum to which all levels shall be referred for the purpose of the Project is the Chart Datum (0.000) which is 0.80 m below mean sea level or such levels as notified by Concessionaire Authority from time to time

#### **21.2 Accounts and Audits**

##### **21.2.1 Audited accounts**

- a) The Concessionaire shall maintain books of accounts recording all its receipts (including all Tariff collected and other revenues derived/collected by it from or on account of the Project and/or its use), income, expenditure, payments (including payments from the Escrow Account), assets and liabilities, in accordance with this Agreement, Good Industry Practice, Applicable Laws and Applicable Permits. The Concessionaire shall provide 2 (two) copies of its balance sheet, cash flow Statement and profit and loss account, along with a report thereon by its Statutory Auditors, within 90 (ninety) days of the close of the Accounting Year to which they pertain and such audited accounts, save and except where expressly provided to the contrary, shall form the basis of payments by either Party under this Agreement. The Concessioneing Authority shall have the right either through itself or through any of its authorised representatives, to inspect the records of the Concessionaire during office hours and require copies of relevant extracts of books of accounts, duly certified by the Statutory Auditors, to be provided to the Concessioneing Authority for verification of basis of payments, and in the event of any discrepancy or error being found, the same shall be rectified and such rectified account shall form the basis of payments by either Party under this Agreement.
- b) The Concessionaire shall, within 30 (thirty) days of the close of each quarter of an Accounting Year, furnish to the Concessioneing Authority its unaudited financial results in respect of the preceding quarter, giving summarised information on the cargo types handled and liable for payment of Tariff therefore, and any other information, in the manner and form prescribed by the Securities and Exchange Board of India for publication of quarterly

result by the Companies listed on a stock exchange.

- c) On or before the 30th day of June each year, the Concessionaire shall provide to the Concessioneing Authority, for the preceding Accounting Year, a statement duly audited by its Statutory Auditors giving summarised information on (a) the cargo traffic and liable for payment of Tariff therefore, (b) Tariff charged and received, and other revenues derived from the Project and any other assets associated with the Project and earned directly by the Concessionaire (c) such other information as the Concessioneing Authority may reasonably require.

#### **21.2.2 Appointment of auditors**

- a) The Concessionaire shall appoint, and have during the subsistence of this Agreement as its Statutory Auditors, a firm chosen by it from the mutually agreed list of 5 (five) reputable firms of chartered accountants (“Panel of Chartered Accountants”), such list to be prepared substantially in accordance with the criteria set forth in Appendix 22. All fees and expenses of the Statutory Auditors shall be borne by the Concessionaire.
- b) The Concessionaire may terminate the appointment of its Statutory Auditors after a notice of 45 (forty-five) days to the Concessioneing Authority, subject to the replacement Statutory Auditors being appointed from the Panel of Chartered Accountants.
- c) Notwithstanding anything to the contrary contained in this Agreement, the Concessioneing Authority shall have the right, but not the obligation, to appoint at its cost from time to time and at any time, another firm (the “Additional Auditors”) from the Panel of Chartered Accountants to audit and verify all those matters, expenses, costs, realisations and things which the Statutory Auditors are required to do, undertake or certify pursuant to this Agreement.
- d) The Concessioneing Authority shall have the right, but not the obligation, to appoint at its cost, for the duration of the Construction Period, another firm (the “Concurrent Auditors”) from the Panel of Chartered Accountants to undertake concurrent audit of the Concessionaire’s accounts.

#### **21.2.3 Certification of claims by Statutory Auditors**



- a) Any claim or document provided by the Concessionaire to the Concessioneing Authority in connection with or relating to receipts, income, payments, costs, expenses, accounts or audit, and any matter incidental thereto shall be valid and effective only if certified by its Statutory Auditors. For the avoidance of doubt, such certification shall not be required for exchange of information in the normal course of business including the submission of License Fee as per Clause 9.1.

#### **21.2.4 Set-off**

- a) In the event any amount is due and payable by the Concessioneing Authority to the Concessionaire, it may set-off any sums payable to it by the Concessionaire and pay the balance remaining. Any exercise by the Concessioneing Authority of its rights under this Clause 21.2.4 shall be without prejudice to any other rights or remedies available to it under this Agreement or otherwise.

#### **21.2.5 Dispute resolution**

- a) In the event of there being any difference between the findings of the Additional Auditors or the Concurrent Auditors, as the case may be, and the certification provided by the Statutory Auditors, such Auditors shall meet to resolve the differences and if they are unable to resolve the same, such dispute shall be resolved by the Concessioneing Authority by recourse to the dispute resolution procedure as described in Article 19.

### **21.3 Compensation for breach of agreement**

#### **21.3.1 Compensation for default by the Concessionaire**

Subject to the provisions of Clause 21.3.5, in the event of the Concessionaire being in material breach or default of this Agreement, it shall pay to the Concessioneing Authority by way of compensation, all direct costs suffered or incurred by the Concessioneing Authority as a consequence of such material breach or default, within 30 (thirty) days of receipt of the demand supported by necessary documentation thereof; provided that no compensation shall be payable under this Clause 21.3.1 for any material breach or default in respect of which damages are expressly specified and payable under this Agreement or for any consequential losses incurred by

the Concessioneing Authority.

### **21.3.2 Compensation for default by the Concessioneing Authority**

Subject to the provisions of Clause 21.3.5, in the event of the Concessioneing Authority being in material breach or default of this Agreement at any time after the Date of Award of Concession, it shall pay to the Concessionaire by way of compensation, all direct costs suffered or incurred by the Concessionaire as a consequence of such material breach or default within 30 (thirty) days of receipt of the demand supported by necessary documentation thereof; provided that no such compensation shall be payable for any material breach or default in respect of which damages have been expressly specified in this Agreement. For the avoidance of doubt, compensation payable may include interest payments on debt, O&M Expenses, any increase in capital costs on account of inflation and all other costs directly attributable to such material breach or default but shall not include loss of revenues from Tariff or debt repayment obligations or other consequential losses, and for determining such compensation, information contained in the Financial Package and the Financial Model may be relied upon to the extent it is relevant.

### **21.3.3 Extension of Concession Period**

Subject to the provisions of Clause 21.3.5, in the event that a material breach or default of this Agreement set forth in Clause 21.3.2 causes delay in achieving COD or leads to suspension of or reduction in realisation of Tariff, as the case may be, the Concessioneing Authority shall, in addition to payment of compensation under Clause 21.3.2, extend the Concession Period, such extension in the Concession Period shall be considered and determined by the Concessioneing Authority at such time. The decision of the Concessioneing Authority in this matter shall be final and binding.

### **21.3.4 Compensation to be in addition**

Compensation payable under this Clause 21.3 shall be in addition to, and without prejudice to, the other rights and remedies of the Parties under this Agreement including termination thereof.

### **21.3.5 Mitigation of costs and damage**

The Affected Party shall make all reasonable efforts to mitigate or limit the costs and damage arising out of or as a result of breach of Agreement by the other Party.

#### **21.4 Survival of Obligation**

Any cause of action which may have occurred in favour of either Party or any right which is vested in either Party under any of the provisions of this Agreement during the Concession Period as the case may be as a result of any act, omission, deed, matter or thing done or omitted to be done by either Party before the expiry of the Concession Period by efflux of time or otherwise in accordance with the provisions of this Agreement shall survive the expiry of the Concession Period/ termination of this Agreement.

#### **21.5 Articles to survive Termination**

The provisions of Articles 16 to 21 shall, to the fullest extent necessary to give effect thereto, survive the Concession Period/the termination of this Agreement and the obligations of Parties to be performed/discharged following the termination/early determination of this Agreement shall accordingly be performed/discharged by the Parties.

#### **21.6 Joint Responsibility**

In the event that any damage is caused partly due to the negligence or default or omission on the part of the Concessioneing Authority and partly due to the negligence or default or omission on the part of the Concessionaire, each Party shall be liable to the other Party only in the proportion to its respective degree of negligence or default or omission, as the case may be.

#### **21.7 Several Obligations**

Nothing contained in this Agreement shall be construed to create an association, trust, partnership, agency or joint venture among the Parties and Parties shall be liable to perform their respective duties and discharge their respective liabilities or obligations in accordance with the provisions of this Agreement.

#### **21.8 Severability**

If for any reason whatsoever any provision or any part(s) of this Agreement is held or shall be declared to be void or illegal or invalid under present or future laws or regulations effective and applicable during the Concession Period, by any competent arbitral tribunal or court, and if such

provisions shall be fully separable and this Concession shall be constructed as if such provision or such part(s) of this Agreement never comprised part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such void or illegal or invalid provision or by its severance from this Agreement.

## **21.9 Notices**

Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term or related or breach of any term of this Agreement shall be in writing and shall be given by hand delivery, recognized international courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:

The Concessioneing Authority:

CHAIRPERSON

VISAKHAPATNAM PORT AUTHORITY

Port Area, Visakhapatnam-530035

Fax No. 0891-

2565023

Email: chairman@vizagport.com

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The Concessionaire:

The MANAGING DIRECTOR

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\_\_\_\_\_Ltd

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Fax No. \_

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Email: \_

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or such other address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized

international courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.

#### **21.10 Waiver**

No waiver of any term or condition or of the breach thereof by any Party shall be valid unless expressed in writing and signed by such Party and communicated by such Party to the other Party in accordance with the provisions of Article 21.9 of this Agreement. A waiver by any Party of any term or condition or breach thereof in a given case shall not be deemed or construed as a general waiver of such term or condition or the breach in the future or waiver of any other terms or conditions or breach of this Agreement.

#### **21.11 Amendments, Modifications or Alterations.**

All additions, amendments, modifications and variations to this Agreement shall be effectual and binding only if in writing and signed by the duly authorized representatives of the Parties.

#### **21.12 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Republic of India and courts having territorial jurisdiction over the Project shall have jurisdiction over all matters relating to or arising out of this Agreement.

#### **21.13 Entire Agreement**

This Agreement and the Appendices together constitute a complete and exclusive statement of the terms of the agreement between the Parties. All prior written or oral understandings offers or other communications of every kind pertaining to this Agreement unless specifically retained in this Agreement and the Appendices, by reference or otherwise, are abrogated and withdrawn. IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Agreement on the dates indicated next to their signatures below:

Common Seal of the Concessioneing Authority is affixed pursuant to its resolution dated \_\_\_\_\_ of the Board in the presence of Mr. \_\_\_\_\_ who has signed this Agreement in token thereof.

Signed and Delivered by the Concessionaire by the hand of its authorized representative Mr.

\_\_\_\_\_ pursuant to Resolution dated \_\_\_\_\_ of its Board of Directors.

## **APPENDIX 1**

### **PROJECT SITE**

1. Port of Visakhapatnam is one of the leading major ports of India and is located on the east coast midway between Kolkata and Chennai. The Port is located at Latitude 17° 41' N and Longitude 83°18' E. The time zone is GMT +5:30 hr.
2. There are total number of 27 Berths and one SPM for Cargo Handling with distinction of possessing super cape handling facility and the deepest container terminal among Major Ports of India. The Port has two components viz., Inner harbour and an Outer harbour
3. The relative locations of VPT inner harbour, VPT outer harbour, Eastern Naval Command and Hindustan Shipyard are shown below in Drawing No. 1
4. The Inner Harbour is accessed through an extension of this approach channel which is 1.1km long (from Dolphin's nose light house); the width varies from a minimum of 111m to 168m and is 16.1m deep. This leads to a turning circle of 440 m diameter.
5. The Inner Harbour is a natural harbour with a turning basin and three navigable arms – Northern, Western and North-Western. The total water spread is about 100 hectares. It accommodates 21 berths. It can accommodate fully laden Panamax vessels of 240m LOA; 40m beam and 14.5m draft.
6. The Outer Harbour is accessed through an approach channel which is 3.1km long; 200m wide and 20m deep. This is up to the Dolphin's nose light house. This leads to a turning circle of 610m diameter. The Outer Harbour is an artificial harbour with a total water spread area of 200 hectares. Its basin is protected by two breakwaters, 1070m long Eastern breakwater and 1540m long Southern breakwater. It accommodates 6 berths. It can accommodate fully laden cape size vessels of 320 m LOA; 50 m beam and 18.1m draft.

#### **7. Climate**

The climate of the region is characterized by two seasonal monsoons viz. North-East and South-West. Northeast monsoon occurs between November and January and is characterized by predominant North –Easterly winds. During this period the risk of a tropical storm or cyclones is higher than in most months. South West monsoon extends from June up to September and is characterized by occurrence of rain, with predominantly south westerly winds.

#### **8. Wind**

Predominant wind direction prevailing at the site is between South-West to North-East in various Periods. For 90% of the time that wind speed does not exceed 20 KMPH. The maximum wind speed recorded is 110 KMPH. It is, however, known that wind speeds as high as 250 KMPH by experienced occasionally during cyclones in the Bay of Bengal.

#### **9. Rainfall**

The average overall rainfall is 1337 mm. The average number of rainy days is 54 days per year. October to December is the wettest months of the year with an average rainfall in excess of 200 mm per month, with a Maximum of 458 mm in November. February and March are dry months with average rainfall below 25 mm per month.

#### **10. Visibility**

Throughout the year visibility is good as the fog is infrequent at sea in all seasons.

### 11. Oceanographic Information

The relevant tide levels with reference to the India Naval Hydrographic Chart Datum are given in Table 1.1 below:

- Highest High Water Recorded +2.38 m
- MHWS +1.49 m
- MSL + 0.79 m
- MLWS + 0.09 m
- Chart Datum + 0.00 m
- Lowest Low Water Recorded - 0.50 m

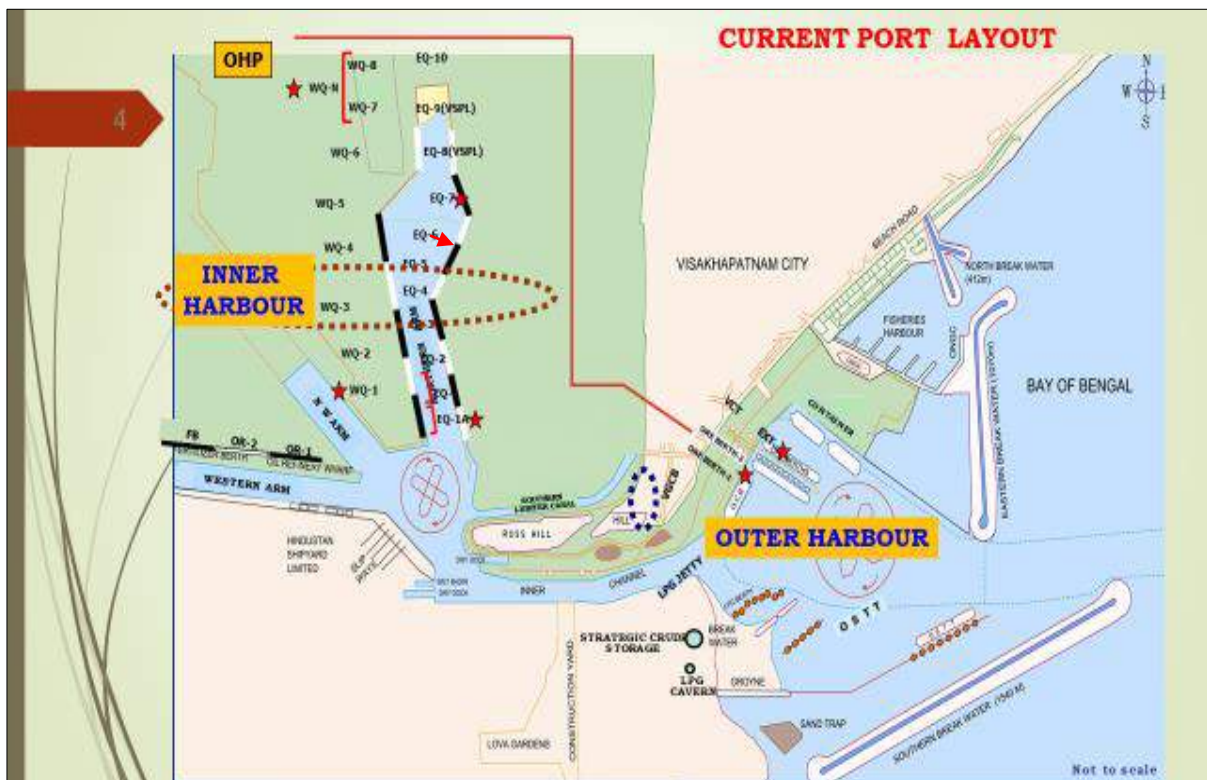
### 12. Current

The Current in Inner harbor are not significant and seem negligible.

### 13. Waves

The Inner harbor is well protected from waves and therefore no wave disturbance is expected at the proposed site.

Enclosures: Drawing No. 1, 2



Drawing No. 1 – Current Port Layout





**Drawing No. 2 - Location of EQ-6 Berth in Vizag Port**

## **APPENDIX 2**

### **PORT'S ASSETS**

EQ-6 berth has a length of 255 m for handling 200 m LoA vessels with a permissible draft of 11.0 m, provided that the same may be increased in future subject to dredging till (-)14.0 m dredge depth. This berth will be handed over to the Concessionaire along with the stackyard area of 10.50 acres located 300m away from the berth & back up area of around 255m length & 48.5 m width (3.00 Acres) adjacent to the berth for temporary storage / movement of trucks.

### APPENDIX 3 SUBSTITUTION AGREEMENT

**THIS SUBSTITUTION AGREEMENT** is entered into on this the \_\_\_\_ day of \_\_\_\_\_  
(Month) \_\_\_\_\_ (Year) at \_\_\_\_\_

AMONGST,

THE \_\_\_\_\_ Authority, a body corporate constituted under the provisions of the Major Port Authorities Act, 2021 and having its Administrative Office at \_\_\_\_\_  
(hereinafter referred to as **“the Concessioning Authority”**) which expression shall, unless repugnant to the context or meaning thereof include its administrators, successors or assigns.

AND

M/s. XXXX Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at \_\_\_\_\_ hereinafter referred to as **“the Concessionaire”** (which expression shall unless repugnant to the context or meaning thereof include its successors and assigns),

AND

YYYY (Financial Institution/ Bank) having its Registered office/Head Office at \_\_\_\_\_ hereinafter referred to as **“the Senior Lender”**. OR

ZZZZ (Financial Institution/Bank) having its Registered Office/Head Office at \_\_\_\_\_ acting for and on behalf of the Senior Lenders listed in Schedule A hereto (hereinafter referred as **“the Senior Lender’s Representative”**).

WHEREAS,

- a) The Concessioning Authority for implementing a Project envisaging \_\_\_\_\_ by private sector participation (hereinafter referred to as **“the Project”**), has by the Concession Agreement dated \_\_\_\_\_ entered into between the Concessioning Authority and the Concessionaire (hereinafter referred to as **“the Concession Agreement”**) has granted to the Concessionaire the Concession to implement the Project in terms of the provisions set out thereunder;
- b) With a view to facilitate financing of the Project by the Concessionaire, the Concessioning Authority and the Concessionaire have agreed to enter into Substitution Agreement being these presents with the Senior Lender/s/Senior Lenders’ Representative.

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:**

#### ARTICLE 1

## DEFINITIONS AND INTERPRETATION

### 1.1. Definitions

In this Agreement the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereafter respectively assigned to them.

**“Agreement”** means this agreement and includes any amendment or modification made to this agreement in accordance with the provisions hereof.

**“Financial Assistance”** means the financial assistance set forth in **Schedule A** hereto, agreed to be provided by the Senior Lender(s) to the Concessionaire for financing the Project.

**“Financial Default”** means occurrence of a material breach of the terms and conditions of the Financing Documents or a continuous default in servicing debt there under by the Concessionaire for a minimum period of 3 (three) months.

**“Senior Lender(s)”** means the financial institutions/banks whose name(s) and addresses are set out in Schedule A hereto and shall include the financial institutions/banks who may replace the same by way of a refinance/subrogation, as may be notified by the Senior Lenders’ Representative to the Concessionaire, from time to time.

**“Residual Concession Period”** means the period which shall be the remainder of the Concession Period computed from the date of issuance of Termination Notice in terms of Article 16.1 of the Concession Agreement.

**“Selectee”** means a Person proposed by the Senior Lender/Senior Lender’s Representative pursuant to this Agreement and approved by the Concessioneing Authority for substituting the Concessionaire for the residual Concession Period, in accordance with the provisions of this Agreement.

**“Suspension Period”** means the Termination Period as defined in Article 16 of the Concession Agreement at the end of which all formalities connected with substitution of the Concessionaire by the Selectee including handing over of Project Site/Project Facilities and Services, in accordance with this Agreement are completed and the substitution has become effective.

**1.2** Capitalized terms used in this Agreement but not defined shall have the meaning assigned to them respectively in the Concession Agreement.

## **ARTICLE 2 ASSIGNMENT**

### **2.1. Assignment of rights and title**

The Concessionaire hereby agrees to assign its rights, title and interest in the Concession to, and in favour of, the Senior Lenders pursuant to and in accordance with the provisions of this Agreement and the Concession Agreement by way of security in respect of financing by the Senior Lenders under the Financing Documents.

## **ARTICLE 3 SUBSTITUTION OF THE CONCESSIONAIRE**

### **3.1. Rights of substitution**

3.1.1 Pursuant to the rights, title and interest assigned under Clause 2.1, the Senior Lenders shall be entitled to substitute the Concessionaire by a Selectee under and in accordance with the provisions of this Agreement and the Concession Agreement.

3.1.2 The Concessioneing Authority hereby agrees to substitute the Concessionaire by endorsement on the Concession Agreement in favour of the Selectee selected by the Senior Lenders in accordance with this Agreement (For the avoidance of doubt, the Senior Lenders shall not be entitled to operate and maintain the Project/Project Facilities and Services).

### **3.2 Substitution upon occurrence of Financial Default**

3.2.1 Upon occurrence of a Financial Default, the Senior Lenders/Senior Lenders' Representative may issue a notice to the Concessionaire (the **"Notice of Financial Default"**) along with particulars thereof and send a copy to the Concessioneing Authority for its information and record. A Notice of Financial Default under this Clause 3 shall be conclusive evidence of such Financial Default and it shall be final and binding upon the Concessionaire for the purposes of this Agreement.

3.2.2 Upon issue of a Notice of Financial Default hereunder, the Senior Lenders/Senior Lenders' Representative may, without prejudice to any of its rights or remedies under this Agreement or the Financing Documents, substitute the Concessionaire by a Selectee in accordance with the provisions of this Agreement.

3.2.3 At any time after the Senior Lenders/Senior Lenders' Representative has issued a Notice of Financial Default, it may by notice require the Concessioneing Authority to suspend all the

rights of the Concessionaire and undertake the operation and maintenance of the Project/Project Facilities and Services, and upon receipt of such notice, the Concessions Authority shall suspend the rights of the Concessionaire. Provided, such suspension shall be revoked upon substitution of the Concessionaire by a Selectee, and in the event such substitution is not completed within 180 (one hundred and eighty) Days from the date of such suspension, the Concessions Authority may terminate the Concession Agreement forthwith by issuing a Termination Notice in accordance with the provisions of the Concession Agreement; provided that upon written request from the Senior Lenders/Senior Lenders' Representative and the Concessionaire, the Concessions Authority may extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

### **3.3 Substitution upon occurrence of Concessionaire Default**

3.3.1 Upon occurrence of a Concessionaire Default, the Concessions Authority shall by a notice inform the Senior Lenders/Senior Lenders' Representative of its intention to issue a Termination Notice and grant 15 (fifteen) Days' time to the Senior Lenders/Senior Lenders' Representative to make a representation, stating the intention to substitute the Concessionaire by a Selectee.

3.3.2 In the event that the Senior Lenders/ Senior Lenders' Representative makes a representation to the Concessions Authority within the period of 15 (fifteen) Days specified in Clause 3.3.1, stating that it intends to substitute the Concessionaire by a Selectee, the Senior Lenders/ Senior Lenders' Representative shall be entitled to undertake and complete the substitution of the Concessionaire by a Selectee in accordance with the provisions of this Agreement within a period of 180 (one hundred and eighty) Days from the date of such representation, and the Concessions Authority shall either withhold termination and/or suspend the rights of the Concessionaire for the aforesaid period of 180 (one hundred and eighty) Days; provided that upon written request from the Senior Lenders/ Senior Lenders' Representative and the Concessionaire, the Concessions Authority shall extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

### **3.4 Procedure for substitution**

3.4.1 The Concessions Authority and the Concessionaire hereby agree that on or after the date of Notice of Financial Default or the date of representation to the Concessions Authority under

Clause 3.3.2, as the case may be, the Senior Lenders/Senior Lenders' Representative may, without prejudice to any of the other rights or remedies of the Senior Lenders, invite, negotiate and procure offers, either by private negotiations or public auction or tenders from potential Selectees for substituting the Concessionaire and taking on the rights and obligations under the Concession Agreement.

3.4.2 To be eligible for substitution in place of the Concessionaire, the Selectee shall be required to fulfil the eligibility criteria that were laid down by the Concessioneing Authority for shortlisting the bidders for award of the Concession; provided that the Senior Lenders/ Senior Lenders' Representative may represent to the Concessioneing Authority that all or any of such criteria may be waived in the interest of the Project, and if the Concessioneing Authority determines that such waiver shall not have any material adverse effect on the Project, it may waive all or any of such eligibility criteria.

3.4.3 Upon selection of a Selectee, the Senior Lenders/Senior Lenders' Representative shall request the Concessioneing Authority to:

- (a) accede to transfer to the Selectee the rights and obligations of the Concessionaire under the Concession Agreement; and
- (b) novate the Concession Agreement to the Selectee such that the Selectee replaces the Concessionaire and becomes entitled/obligated to all the rights and obligations of the Concessionaire, for the residual Concession Period.

3.4.4 If the Concessioneing Authority has any objection to the transfer of Concession in favour of the Selectee in accordance with this Agreement, it shall within 7 (seven) Days from the date of proposal made by the Senior Lenders/Senior Lenders' Representative, give a reasoned order after hearing the Senior Lenders/Senior Lenders' Representative. If no such objection is raised by the Concessioneing Authority, the Selectee shall be deemed to have been accepted. The Concessioneing Authority thereupon shall novate the Concession Agreement within 7 (seven) Days of its acceptance/deemed acceptance of the Selectee; provided that in the event of such objection by the Concessioneing Authority, the Senior Lenders' Representative may propose another Selectee whereupon the procedure set forth in this Clause 3.4 shall be followed for substitution of such Selectee in place of the Concessionaire.

### **3.5 Selection to be binding**

The decision of the Senior Lenders/Senior Lenders' Representative and the Concessioneing Authority in selection of the Nominated Company shall be final and binding on the Concessionaire. The Concessionaire irrevocably agrees and waives any right to challenge the actions of the Senior Lenders' Representative or the Senior Lenders or the Concessioneing Authority taken pursuant to this Agreement including the transfer/novation of the Concession Agreement in favour of the Selectee. The Concessionaire agrees and confirms that it shall not have any right to seek revaluation of assets comprised in the Project or the Concessionaire's shares. It is hereby acknowledged by the Parties that the rights of the Senior Lenders/Senior Lenders' Representative are irrevocable and shall not be contested in any proceedings before any court or Concessioneing Authority and the Concessionaire shall have no right or remedy to prevent, obstruct or restrain the Concessioneing Authority or the Senior Lenders/Senior Lenders' Representative from effecting or causing the transfer by substitution and endorsement of the Concession as requested by the Senior Lenders/Senior Lenders' Representative.

## **ARTICLE 4 TRANSACTION DOCUMENTS**

### **4.1 Substitution of Selectee in Transaction Documents**

The Concessionaire shall ensure and procure that each Transaction Documents contains provisions that entitle the Selectee to step into such Transaction Documents, in its discretion, in place and substitution of the Concessionaire in the event of such Selectee assumption of the liabilities and obligations of the Concessionaire under the Concession Agreement.

## **ARTICLE 5 TERMINATION OF CONCESSION AGREEMENT**

### **5.1 Termination upon occurrence of Financial Default**

At any time after issue of a Notice of Financial Default, the Senior Lenders/Senior Lenders' Representative may by a notice in writing require the Concessioneing Authority to terminate the Concession Agreement forthwith, and upon receipt of such notice, the Concessioneing Authority shall terminate the Concession in accordance with the Concession Agreement.



## **5.2 Termination when no Selectee is selected**

In the event that no Selectee acceptable to the Concessioneing Authority is selected and recommended by the Senior Lenders/Senior Lenders' Representative within the period of 180 (one hundred and eighty) Days or any extension thereof as set forth in Clause 3.3.2, the Concessioneing Authority may terminate the Concession Agreement forthwith in accordance with the provisions thereof.

## **5.3 Realisation of Debt Due**

The Concessioneing Authority and the Concessionaire hereby acknowledge and agree that, without prejudice to their any other right or remedy, the Senior Lenders are entitled to receive from the Concessionaire, without any further reference to or consent of the Concessionaire, the Debt Due upon termination of the Concession Agreement.

# **ARTICLE 6 DURATION OF THE AGREEMENT**

## **6.1 Duration of the Agreement**

6.1.1 This Agreement shall come into force from the date hereof and shall expire at the earliest to occur of the following events:

- a) termination of the Agreement; or
- b) no sum remains to be advanced, or is outstanding to the Senior Lenders, under the Financing Documents.

# **ARTICLE 7 INDEMNITY**

## **7.1 General indemnity**

7.1.1 The Concessionaire will indemnify, defend and hold the Concessioneing Authority and the Senior Lenders/Senior Lenders' Representative harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by the Concessionaire of any of its obligations under this Agreement or on account of failure of the Concessionaire to comply with Applicable Laws and Applicable Permits.

7.1.2 The Concessioneing Authority will indemnify, defend and hold the Concessionaire harmless

against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Concessioneing Authority to fulfil any of its obligations under this Agreement, materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement or this Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of its lawful functions by the Concessioneing Authority.

**7.1.3** The Senior Lenders/Senior Lenders' Representative will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Senior Lenders/Senior Lenders' Representative to fulfil its obligations under this Agreement, materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Senior Lenders/Senior Lenders' Representative.

## **7.2 Notice and contest of claims**

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the **"Indemnified Party"**), it shall notify the other Party responsible for indemnifying such claim hereunder (the **"Indemnifying Party"**) within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

## **ARTICLE 8 GENERAL**

### **8.1 General**

- i. The Parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Agreement.
- ii. Notices under this Agreement shall be sent to the Addresses first hereinabove mentioned. Any change in the address of any Party shall be duly notified by registered post acknowledgement due and delivered to the other parties.
- iii. The expressions “Concessioneing Authority”, the “Concessionaire”, the “Senior Lender” and the “Senior Lenders’ Representative”, “Selectee” herein used shall unless there be anything repugnant to the subject or context include the respective successors and assigns.
- iv. This Agreement shall not be affected by reorganization of any Senior Lender, the Concessionaire or Concessioneing Authority, “Selectee” and the successor in interest of the Senior Lender or Concessioneing Authority shall have the benefit of this Agreement.
- v. Failing amicable settlement and/or settlement with the assistance of Expert, the dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three Arbitrators, one each to be appointed by the Concessioneing Authority and the Senior Lenders/Senior Lender’s Representative and the third to be appointed by the two arbitrators. If any Party entitled to do so, fails to appoint a second Arbitrator within 30 (thirty) Days of from the receipt of the request for such appointment, then the single Arbitrator appointed in accordance with this provision shall adjudicate the disputes as Sole Arbitrator.
- vi. This Agreement and rights and obligations of the Parties hereunder shall remain in full force and effect pending the Award in any arbitration proceeding hereunder. The courts having territorial jurisdiction over the Project alone shall have jurisdiction over all matters arising out of or relating to the arbitration agreement contained herein or proceedings arising out of or relating to the arbitration proceedings thereunder.
- vii. The consultation, recommendation or approval of the Senior Lenders’ Representative under this Agreement shall always be deemed as consultation, recommendation or

approval of every concerned Senior Lender and each such Senior Lender shall be bound by the same.

- viii. This Agreement shall be in addition to and shall not be in derogation of the terms of the Financing Documents.
- ix. The Concessionaire agrees and acknowledges that it shall not be necessary for the Senior Lender(s) or the Senior Lenders' Representative to enforce or exhaust any other remedy available to them before invoking the provisions of this Agreement.
- x. No amendment, variation or modification to this Agreement shall be valid and effectual unless made in writing and executed by the duly authorized representatives of all the Parties hereto.
- xi. All stamp duties or other imposts and charges as are applicable on this Agreement or on amendment of the Concession Agreement or execution of fresh Concession Agreement for the purpose of substitution as aforesaid, irrespective of the Senior Lenders making such payment for the time being, shall be borne by and be to the account of the Concessionaire.
- xii. The Parties hereby expressly agree that for the purpose of giving full and proper effect to this Agreement, the Concession Agreement and this Agreement shall be read together and construed harmoniously. The terms of this Agreement shall prevail in the event of any inconsistency with the Concession Agreement.

**SCHEDULE A**  
**PARTICULARS OF FINANCIAL ASSISTANCE.**

<b>Name and Address of the Lender</b>	<b>Nature and Amount of Financing Assistance</b>

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET THEIR HANDS  
HEREUNTO ON THE DAY, MONTH AND YEAR HEREINABOVE MENTIONED.

SIGNED AND DELIVERED ON BEHALF OF

-----

LIMITED BY: \_

\_\_\_\_\_

Name:

Title:

SIGNED AND DELIVERED ON BEHALF OF

GOVERNMENT OF INDIA

BY: \_\_\_\_\_

Name:

Title:

SIGNED AND DELIVERED ON BEHALF OF -----

ON BEHALF OF THE SENIOR LENDERS SETFORTH IN SCHEDULE I

BY: \_\_\_\_\_

Name: \_\_\_\_\_

## **APPENDIX 4 SCOPE OF WORK**

### **Project Facilities and Services:**

The Concessionaire shall prepare the various developmental activities for successful commissioning of the EQ-6 Berth at Visakhapatnam Port Authority Terminal and get it approved by the Concessioneing Authority. All care shall be taken by the Concessionaire during the Construction Period to the safety of men and material. The electrical cables, water pipes shall not be damaged while developing the facilities. The damage so caused shall be rectified and made good by the Concessionaire at its cost. A security fence may be installed along the perimeter of the terminal after discussion with the Concessioneing Authority taking into consideration the safety and smooth flow of traffic.

The Concessionaire shall carry out various activities as mentioned below for successful commissioning of the East Quay-6 (EQ-6) berth at Visakhapatnam Port

### **Brief facilities of the Project is as detailed below :-**

#### **I) BERTH AND BACKUP AREA**

##### **I. Mechanical Components**

1. Mobile Harbour Crane – 1 No. (1500 TPH)
2. Mobile Hoppers – 1 No. (150 T)
3. Wheel loaders - 7 Nos.
4. Movable trucks - 23 Nos. on Rental basis
5. Fork Lifts 5 Nos.
6. Dust Suppression system

#### **II) STACK YARD**

##### **I. Civil & Structural Components**

1. Site Grading
2. Internal Roads
3. Storm water drain

##### **II. Electrical & Instrumentation**

1. Electrical Works

#### **III) Berth Specifications:**

Existing EQ-6 berth is of 255 m length to cater to the berthing requirement of up to 200 m LoA with draft up to 11.00 m.

- Compliance with environmental laws during implementation i.e., construction, operation, and maintenance.
- Providing handling facilities for discharge, storage, delivery and receipt, storage, shipment of cargoes duly achieving the standards of performance, safety, etc, as set out in the Concession Agreement and rendering all other services incidental thereon
- Taking custody of Cargo both in terms of Customs Act 1962 and M.P.A act 2021

**iii) Support Facilities:**

The traffic management plan within and to the terminal shall be fine-tuned in consultation with VPT after taking into consideration minimum disturbance to traffic to and from other terminals.

**iv) Computer Communication:**

The Concessionaire shall automate the operations of the EQ-6 and provide for information to be available on line. The Concessionaire shall install a computer system with adequate number of terminals for planning, including but not limited to, import, export, export intake, delivery, transfer to CFs, generation of reports, provision of information to Concessioneing Authority etc. Information about the movement of containers should be fed to the computer immediately through walkie talkie or other suitable medium.

**v) Electrification:**

The Concessionaire shall have to put up necessary substation and associated distribution work for meeting the power requirement of proposed Cranes and other equipment. Illumination shall be adequately provided by the Concessionaire to enable twenty four (24) hour operation. Concessionaire shall provide power to the lighting system from its own distribution system on award of license. The illumination level shall be as per the requirement of Dock Safety Regulation.

However, the Concessionaire shall also provide a suitable standby power generator of adequate capacity to ensure the operation during power failure from the source supply so that it does not impede the handling of containers at the container terminal.

The Concessionaire shall avail Electricity from Eastern Power Distribution Corporation Limited (EPDCL). All charges for obtaining approval from EPDCL shall be borne by the Concessionaire.

The Concessionaire shall provide for standard, scale and level of luminosity in the water front and on shore-side including backup area in conformance to the requirements

stipulated under Dock Safety Regulations of India.

Note:

The required luminosity on the quayside and the container yard as per current Dock Safety Regulations is 25 lux. As this may be difficult to achieve between rows of stacked containers, the Concessionaire may provide 20 lux on open areas and 5 lux measured 1 meter above ground level container block stack.

**vi) Water:**

Water supply for project facilities and services shall be obtained from Greater Visakhapatnam Municipal Corporation (GVMC). Water for fire-fighting purposes of the terminal shall be sourced from sea by the Concessionaire.

**vii) Fire-fighting Requirements:**

The Concessionaire shall plan and provide for adequate fire-fighting equipment, fire hydrants etc. at the berths and in the back up area, keeping in view the need for maximizing dock safety and compliance with the prescribed regulations subject to the scale as stipulated by OISD guidelines or in compliance with applicable international codes/practices.

The Concessionaire may, at its own cost, expenses and charges, install any communication link with the Concessioneing Authority's fire station. Mobile fire tenders of the Concessioneing Authority may also assist the Concessionaire in the event of a fire in the Licensed Premises at the Concessionaire's cost, charges and expenses. However, the Concessionaire agrees and undertakes to make suitable and adequate arrangements for fire-fighting in the Licensed Premises including mobile fire tenders which should be available for dealing with any emergency in the Concessioneing Authority's area as well. The Concessionaire agrees and undertakes to make provision of fire-fighting equipment in the Licensed Premises in addition to the equipment and the facilities of the Concessioneing Authority required if any.



**viii) Security Arrangements:**

The security of the port is vested with Central Industrial Security Force (CISF). The Concessionaire shall abide by the security regulations/procedures as stipulated by the Concessioning Authority from time to time. However the Concessionaire shall make its own arrangements for security in the container terminal, Stackyard etc. No charge need to be paid to VPT towards the security personnel deployed at the all the gates. Incase Concessionaire wants additional security arrangements, this can be made available on payment at reasonable time. The Concessioning Authority will assist the Concessionaire in securing the assistance of CISF or the relevant Government Authority to provide all necessary to prosecute offenders who may be apprehended by the Concessionaire, its agents, contractors for committing any offence within the Licensed Premises.

**ix) Security (under ISPS Code):**

The International Ship and Port Security Code (ISPS Code) has been under implementation from July 2004 and India being a signatory to the IMOP Resolution on this adoption of the Code, it is imperative that all terminal operators in the port conform to the requirements of the Code. The Terminal will be termed as one of the port facilities of VPA wherein Deputy Conservator is the Port facility security officer. The operator is required to identify one of their officers as Deputy Port Facility Security Officer of that terminal, who will be reporting to the Deputy Conservator directly for adoption and compliance of the Code. The additional security cost involved in providing any infrastructure in the area allotted to the Concessionaire (as required under the ISPS Code) will be borne by the Concessionaire. IMO and ILO jointly are also in the process of coming out with a proposal on port security which may require further strengthening of security. Whenever such an additional code on port security is ratified by the Indian Government, the Concessionaire will be required to comply with such code at its cost. Development of utilities and services such as communication, office accommodation, etc required for operation of the berth. Compliance with environmental laws during implementation i.e. construction, operation and maintenance.

**x) Other provisions:**

Planning, design, engineering, installation, operation and maintenance of all developmental works shall comply to the relevant Indian Standards and in the absence of Indian standards, relevant International Standards shall be complied with. The required construction, operation, maintenance and safety standards are annexed to this Appendix. In the absence of both, the Bidder should follow good industry practice. Safety precautions, as per statutory requirements, shall also be complied with. The Concessionaire shall ensure compliance to Quality, Environmental, Occupational Health and Safety and ISPS Codes. The performance standards shall generally comply as set out in Appendix-14.

**xi) Special Provision**

- a) Replacement of fenders, bollards and all day to day maintenance of the Berth like housekeeping, cleaning, spillage cleaning, lighting required for handling effective operations at berths, damages any on account of handling of cargos to be carried by the prospective bidder/ Concessionaire at his cost.
- b) The Concessionaire will get the revenue only from cargo handling, Storage and Miscellaneous charges. The port dues along with berth hire shall accrue to VPT as the Project is only for Mechanisation of existing berth and there is no capital expenditure towards berth construction or dredging.
- c) The Concessionaire has to undertake maintenance dredging alongside the berth upto a distance of 50 m from the face of the berth so that a depth of 14.50 m is available throughout the year.

**Annexure**  
**CONSTRUCTION STANDARDS, OPERATIONS AND MAINTENANCE STANDARDS**  
**AND SAFETY STANDARDS**

**A. General**

The Concessionaire shall execute the project by completing civil works as per the Scope of Work and provide appropriate equipment for cargo handling and other support facilities for proper and efficient functioning.

The Concessionaire shall carry out Construction Works, etc. duly complying with the provisions of all relevant latest Indian Standards and in case certain item of works not covered by the Indian Standards, provisions of ISO/IEC/OISD standards, etc. shall be complied.

The construction of civil works, facilities, erection & commissioning of lifting appliances, equipment and machinery and their layout shall ensure that during cargo operations these facilities meet the required provisions of the Dock Workers Safety Health & Welfare Act, 1986 and the relevant Regulations 1990.

The Concessionaire shall meet the requirements of Management Quality System (IS/ISO – 9001: 2000) and shall also obtain accreditation for operations at the terminal. In addition, the Concessionaire shall comply with all relevant statutory regulations, codes, practices and guidelines.

It is not intended to specify herein all the relevant standards required to complete the Project. Such of those standards considered more pertinent are listed in this Annexure.

**B. Civil Construction Work**

**B.1 Dry Bulk, Break Bulk & Container Terminals**

The civil construction work may comprise variety of works such as dredging, reclamation, construction of breakwaters, berths, development of back-up area for storage of cargo/containers, approach roads, railways sidings, operational buildings/offices, maintenance workshop, drainage, water supply, environmental protection works and other amenities. The Concessionaire is required to undertake all tests required as per IS/ ISO/IEC standards to ensure that the construction work carried out by him meets not only the functional requirements of the project but also conforms to the required quality as per the standards. In addition, the Concessionaire shall also comply with the provisions

of specifications published by the Indian Road Congress, RDSO of Ministry of Railways and provisions of Shore Protection Manual (CERC) of US Army Corps of Engineers, as may be pertinent to the Project. In respect of implementing the Project, the Concessionaire shall refer to and as relevant comply with the design and construction standards specified in the following paragraphs.

***Indian Standards for Construction of Ports and Harbours***

IS 4651 – Part – 1 – 1974 Code of practice for planning and design of ports and harbours: Part 1  
Site investigation

IS 4651–Part 2–1989 Code of practice for planning and design of ports and harbours Part 2 Earth  
pressure

IS 4651-Part III-1974 Code of practice for planning and design of ports and harbours: Part III:  
Loading

IS 4651- Part 4 -1989 Code of practice for planning and design of ports and harbours: Part 4: General  
Design consideration.

IS 4651-Part 5-1980:

IS7314: 1974

IS 9527: Part 1: 1981

IS 9527: Part 3: 1983

IS 9527: Part 4: 1980

IS 9527: Part 6: 1989

IS 10020: Part 4: 1981

IS 9556: 1980

Code of practice for planning and design of ports and harbour Part:5 Layout and functional  
requirements

Glossary of terms relating to port and harbour engineering

Code of practice for design and construction of port and harbour structures: Part 1 Concrete  
monoliths Code of practice for design and construction of port and harbour structure: Part 3  
Sheet pile walls

Code of practice for design and construction of port and harbour structure: Part 4 Cellular Sheet  
pile structures

Code of practice for design and construction of port and harbour structures: Part 6 Block work  
Recommendations for design and construction of port and harbour components Part 4 Slipways.

Code of Practice for design and construction of diaphragm walls

***Indian Standards for Foundation Work***

IS 2911: Part 1: Sec 1:1979 Code of practice for design and construction of pile foundations Part 1 Concrete piles, Section 1, Driven cast in-situ concrete piles

IS 2911: Part 1: Sec 2:1979 Code of practice for design and construction of pile foundations: Part 1 Concrete piles, Section 2 Bored cast in-situ piles

IS 2911: Part 1: Sec 3:1979 Code of practice for design and construction of pile foundations: Part 1 Concrete piles, Section 3 Driven pre-cast concrete piles

IS 2911: Part 1: Sec 4:1984 Code of practice for design and construction of pile foundations. Part 1 Concrete piles, Section 4 Bored pre-cast concrete piles

IS 2911: Part 2: 1980 Code of practice for design and construction of pile foundations: Part 2 Timber piles

IS 2911: Part 3: 1980 Code of practice for design and construction of pile foundations: Part 3 Under reamed piles.

IS 2911: Part 4: 1985 Code of practice for design and construction of pile foundations: Part 4 Load test on piles

IS 2950: Part 1: 1981 Code of practice for design and construction of raft foundations – Part I: Design

IS 2974: Part 1: 1982 Code of practice for design and construction of Machine Foundations- Part 1: Foundation for Reciprocating Type Machines.

IS 2974: Part 2: 1980 Code of practice for design and construction of machine foundations. Para 2 Foundations for impact type machine (hammer foundations)

IS 2974: Para 3: 1992 Code of practice for design and construction of machine foundations for rotary type machines (medium and high frequency)

IS 2974: 1979: Code of practice for design and construction of machine foundations: Part 4 Foundations for rotary type machines of low frequency.

IS 2974: Part 5: 1987 Code of practice for design and construction of machine foundations Part 5 Foundations for impact

machines other than hammers (forging and stamping press, pig breaker drops crusher and jolter)

IS 1080: 1985 Code of Practice for design and construction of shallow foundations on soils (other than raft, ring and shell).

IS 13094: 1992 Guidelines for Selection of ground improvement techniques for foundation in weak soils.

### ***Indian Standards for Structural Design***

IS 875(Part I to V): 1987 Code of Practice for design loads (other than earthquake) for buildings – dead loads, imposed loads, wind loads, snow loads, special loads and load combinations.

IS 456: 2000 Code of Practice for plain and reinforced concrete.

IS: 800: 1984 Code of practice for general construction in steel

IS: 801: 1975 Code of practice for use of cold formed light gauge steel structural members in general building construction.

IS: 803: 1976 Code of practice for Design fabrication and Erection of vertical mild steel cylindrical welded oil storage tanks.

IS 1893: Part 1: 2002 Criteria for Earthquake Resistant Design of Structures

### **Part I – General Provision and Buildings**

IS 1893: Part 4: 2005 Criteria for earthquake resistant design of structures –Part 4- Industrial Structures including Stack-like Structures.

IS 4326: 1993 Code of Practice for Earthquake Resistant design and construction of buildings.

## **B.2 Bulk Liquid Terminals and Tank Farms**

In addition to complying to the requirement of relevant specifications mentioned above, in respect of port terminals meant for handling bulk liquids such as crude, POL, hazardous chemicals, LPG, LNG, etc., the Concessionaire shall also comply with the requirements of IMO Standards, MSIHC Rules 1989, IMDG Codes, OISD Standards & Guidelines, Petroleum Rules and Act, Explosives Act and statutory requirements.

## **C. Cargo Handling Equipment**

### **C.1 General**

The Concessionaire in accordance with relevant standards shall provide the type and capacity of equipment required for handling the specified cargo/containers. The equipment shall generally conform to the following standards and code of practices.

### **C.2 Electric Cranes - Wharf and Gantry Cranes**

The crane and its mechanisms shall be designed and constructed in compliance with the latest editions and amendments of the following standards and codes of practice. Standards equivalent or higher in BS, JIS, FEM, DIN, ISO, IEC are also acceptable.

#### ***Structures and Mechanism***

IS 807: 2006 - Code of practice for fatigue IS 4137 – 1985: Design, erection and testing (Structural Portion) of Cranes and Hoists – Code of Practice.

BS 5400 – Part 10 Steel concrete and composite bridges

Specification for heavy duty electric overhead traveling and special cranes for use in steel works

#### ***Material***

IS 800: 1984: Code of Practice for general construction in steel

IS 2062: 2006: Hot rolled low medium and high tensile Structural Steel

IS 2644: 1994: High tensile steel castings

2266: 2002: Steel Wire Ropes for General Engineering Purposes-specification

IS 3177: 1999: Code of Practice for Electric Overhead Traveling Cranes and Gantry Cranes other than Steel Work Cranes

#### ***Electricals***

IEC standards

IEE – regulations for the electrical equipment of buildings

BS 4999 / FEM 3rd edition Booklet 4 - Motors

BS 171, BS 3941, BS 3938 - Transformers

BS 99 – Fuses

#### ***Welding***

IS 7307: Part 1: 1974 Approval test for welding procedures Part 1 Fusion welding of steel.

IS 7310: Part 1: 1974 Approval test for Welders working to approved welding procedures – Part 1: Fusion welding of Steel.

## ***Painting***

BS 5493 Code of practice for protective coating of iron and steel structures against corrosion  
Swedish Standard Sa 2,5 or SIS ST3, SIS 055900 surface preparation

## ***General***

IS 13367: Part 1: 1992 Safe use of Cranes - Code of Practice Part 1	
General <b><i>Classification of Crane</i></b>	
<b><i>Structures</i></b>	
Class of utilization:	U8 (4 Million loading cycles)
State of loading:	Q3
Group classification:	A8
Impact factor:	1.4
Duty factor:	0.9
Nominal load spectrum:	0.8 of rated capacity factor

<b><i>Mechanism</i></b>			
Class of Utilization State of Loading Group Classification			
Hoist	T8	L3	M8
Traverse	T8	L3	M8
Travel	T5	L2	M5
Boom hoist	T3	L3	M4

## **C.3 Mobile Equipment**

IS 4357: 2004 Methods for Stability Testing of Forklift Trucks IS 4573: 1982 Specification for  
Power Driven Mobile Cranes

IS 13473: Part 2:1992/ Cranes - Vocabulary Part 2 Mobile cranes ISO 4306-1985

IS 13558: Part 2:1995/ Cranes - Controls - Layout and Characteristics – Part ISO 7752 –2-  
1986 Mobile Cranes

IS 13834: Part 2: 1993/ Cranes - Classification: Part 2 Mobile cranes ISO 4301 – 2 :1985

IS 13870: Part 2: 1993/ Cranes and Lifting Appliances - Selection of Wire ISO 4308: 1988  
Ropes - Part 2: Mobile Cranes -Coefficient of utilization



IS 14469: 1997/ Mobile Cranes - Determination of Stability ISO 4305 - 1991

IS 14474: Part 1: 1997/ Mobile Cranes - Experimental Determination of Crane ISO 11662-1:1995 Performance – Part 1:

### **Tipping Loads and Radii**

IS 3173: 1965 Specification for High pressure connections for fuel injection equipment for diesel engines

## **C.4 Conveyors for Bulk Handling Conveyors**

IS 4776: Part I: 1977 Specification for Troughed Belt Conveyors- Part I

### **Troughed Belt Conveyors for Surface Installation**

IS 8597 – 1977

IS 11592 – 2000

IS 7465 – 1974

IS 7155: Part 1: 1986

IS 7155: Part 2: 1986

IS 7155: Part 3: 1986

IS 7155: Part 4: 1990

IS 7155: Part 5: 1990

IS 7155: Part 6: 1990

IS 7155: Part 7: 1990

IS 7155: Part 8: 1994

### **Idlers and Pulleys**

IS 8598 – 1987

IS 8531 – 1986

IS 11507 – 1985

### **Flat Belt Conveyors**

Code of practice for selection and design of Belt Conveyors

Portable and Mobile troughed Belt Conveyor

Code of recommended practice for conveyor safety: Part 1 General Information

Code of recommended practice for conveyor safety: Part 2 General Safety requirement

Code of recommended practice for conveyor safety: Part 3 Belt Conveyors and feeders

Code of recommended practice for conveyor safety: Part 4 Vibrating Conveyor/feeder

Code of recommended practice for conveyor safety: Part 5 Apron Conveyor/Apron Feeder

Code of recommended practice for conveyor safety: Part 6 Selection, Training and Supervision of Operators

Code of recommended practice for conveyor safety: Part 7 Inspection and Maintenance

Code of recommended practice for conveyor safety: Part 8 Flight Conveyors (scraper conveyors)

Idlers and Idlers Sets

Pulleys for Conveyors

Synchronous Drive Pulleys

### ***Conveyor Belts***

IS 1891(Part I & II)-1978: Rubber Conveyor Belting

IS 1891 – 1988: Amendment to above conveyor

IS 22131 Part I 1980: Steel Cord Conveyor Belting

### **Electrical**

IS 325: 1996: Three-phase induction motors

IS 900: 1992: Code of practice for installation and maintenance of induction motors

IS 1231: 1974: Dimensions of Three-phase Foot-mounted Induction Motors:

IS 2223: 1983: Dimensions of flange mounted ac induction motors

IS 3682: 1966: Flame-proof ac motors for use in mines

IS 3842: Part 2: 1966: Application guide for electrical relays for ac systems: -Part 2 Over current relays for generators and motors

IS 4029: 1967: Guide for testing three-phase induction motors

IS 8151: 1976: Single-speed three-phase induction motors for driving lifts

IS 8789: 1996: Values of performance characteristics for three-phase induction motors

IS 9628: 1980: Three-phase induction motors with type of protection 'n'

IS 10242: Part 3: Sec 1:1983 Electrical installations in ships: Part 3 Equipment, Sec 1 Generators and motors

IS 12615: 2004: Energy Efficient Induction Motors - Three Phase Squirrel Cage: IS 13529: 1992: Guide on Effects of Unbalanced Voltages on the Performance of Three-Phase Cage Induction Motors

IS 13555: 1993: Guide for Selection and Application of 3-Phase A.C. Induction Motors for Different Types of Driven Equipment

IS 14122: 1994: Built in thermal protection for electric motors rated up to 660 V ac

IS 14377: 1996: Specification for Three-phase Induction Motors for Fans Used in Air-conditioning and Ventilation

IS 15429: 2004: Storage, Installation and Maintenance of DC Motors - Code of Practice

IS 3043: 1987: Code of practice for earthing

IS 3151: 1982: Earthing transformers

IS 5553(Part 6) 1991: Reactor Parts – Earthing of Transformers

IS 9921: Part 1: 1981: Specification for Alternating Current Disconnection (Isolators) and Earthing Switches for Voltages above 1 000 V - Part I: General and Definitions

IS 9921: Part 2: 1982: Alternating current disconnections (isolators) and earthing switches for voltages above 1000 V: Part 2 Rating

IS 9921: Part III: 1982: Specification for Alternating Current Disconnections (Isolators) and Earthing Switches for Voltages above 1000 V - Part III: Design and Construction

IS 9921: Part 4: 1985: Specification for Alternating Current Disconnections (isolators) and Earthing Switches for Voltages Above 1000 V - Part 4: Type Tests and Routine Tests

IS 9921: Part 5: 1985: Specification for Alternating Current Disconnection (Isolators) and Earthing Switches for Voltages Above 1000 v - Part 5: Information to be given with Tenders, Enquiries and Orders

IS 12776: 2002: Galvanized Strand for Earthing – Specification

IS 14981: 2001 Live Working - Earthing or Earthing and Short- Circuiting Equipment Using Lances as a Short- Circuiting Device-Lance Earthing

IS 13947: Part 2: 1993 Specification for Low-voltage Switchgear and Control gear - Part 2: Circuit Breakers

IS 14658: 1999 High Voltage Alternating Current Circuit Breakers - Guide for Short-circuit and Switching Test Procedures for Metal-enclosed and Dead Tank Circuit Breakers

IS 8828: 1996 Electrical Accessories - Circuit Breakers for Over Current Protection for Household and Similar Installations

IS 2309: 1989 Code of Practice for Protection of allied structure against lightning

IS 732 IS 732: 1989 Code of Practice for Electric wiring installation

IS 694: 1990 PVC insulated Cables for working voltages up to and including 1100V

IS 1554 (Part 1):1988 PVC insulated (Heavy Duty) electric cables: Part 1 for working voltages up to and including 1100 V

IS 1554 (Part 2): 1988 PVC insulated (Heavy Duty) electric cables: Part 2 for working voltages

from 3.3 kV up to and including 11 kV

IS 7098 (Part 1): 1988 Cross linked Polyethelene insulated PVC sheathed cables Part 1 for working voltages up to and including 1100 V

IS 7098 (Part 2): 1985 Cross linked Polyethelene insulated PVC sheathed cables Part 2 for working voltages from 3.3 kV up to and including 33 kV

IS 7098 (Part 3): 1988 Cross linked Polyethelene insulated PVC sheathed cables Part 3 for working voltages from 66 kV up to and including 220 kV

IS 10118 (Part 1): 1982 Code of Practice for selection, installation & maintenance of switchgears and Control gears: Part 1 General

IS 10118 (Part 2): 1982 Code of Practice for selection, installation & maintenance of switchgears and Control gears: Part 2 Selection  
IS 10118 (Part 3): 1982 Code of Practice for selection, installation & maintenance of switchgears and Control gears: Part 3 Installation

IS 10118 (Part 4): 1982 Code of Practice for selection, installation & maintenance of switchgears and Control gears: Part 4 Maintenance

For all other equipment not covered in the above standards, equivalent or higher standards in BS, JIS, FEM, DIN, ISO, IEC, are acceptable.

#### **E. Operations & Maintenance Standards: Repairs, Maintenance and Replacement**

The Concessionaire at its own cost promptly and diligently maintain, replace or restore any of the project facilities or part thereof which may be lost, damaged, destroyed or worn out.

The Concessionaire shall abide by the operations and maintenance plan as outlined in the approved DPR.

While carrying out the repairing, maintaining and replacing the project facilities, the Concessionaire acknowledges and accepts that it is holding and maintaining the concession or assets, project facilities in trust for eventual transfer to the Concessioneing Authority on termination of the agreement and therefore, will not do any act as a result of which the value of Port Assets and Project Facilities and Services is diminished.

The Concessionaire shall, at all times during the Concession Period, at its own risk, cost, charges and expenses, performance and pay for maintenance repairs, renewals and replacement of various type of assets and equipment in the Concessionaire premises and /or the project or any parts thereof, whether due to use and operations or due to deterioration of materials and/or parts,

so that on the expiry or termination of Concession, the same shall except normal wear and tear be in good working condition as it were at the time of commencement of the Concession.

While carrying out the repair, maintenance and replacement of the project facilities, the Concessionaire shall carry out the work in accordance with the manufacturer's recommendations and the relevant latest Indian Standards or in its absence ISO/OISD Standards. In the event that the Concessionaire, by necessity or otherwise need to follow any other country standard and it shall be equal or superior to the standard specified above.

The repairs and maintenance shall generally conform to the following specifications.

### **E.1 Maintenance Standards**

ISO 4308-1-2003	Maintenance of lifting appliances
ISO 4309-2004	Cranes wire rope care, maintenance and discard
IS 13367: Part 1: 1992	Safe use of cranes – Code of Practice Part 1 General
BS 7121-2-2003	Code of Practice for safe use of cranes, inspection, testing & examination
BS 7121-4-1997	Code of Practice for safe use of cranes (Lorry Loaders)
BS 7121-5-2006	Code of Practice for safe use of cranes (Tower Cranes)

### **E.2 Painting**

IS 144: 1950	Ready mixed paint, brushing, petrol resisting, air-drying, for interior painting of tanks and container, red oxide (colour unspecified)
IS 145: 1950	Ready mixed paint, slushing, petrol resisting, air-drying for interior painting of tanks and containers, red oxide (colour unspecified)
IS 146: 1950	Specification for ready mixed paint, brushing, petrol resisting, stoving, for interior painting of tanks and containers, red oxide (colour unspecified)

IS 147: 1950	Specification for ready mixed paint, slushing, petrol resisting, stoving, for interior painting of tanks and containers, red oxide (colour unspecified)
IS 164: 1981	Specification for Ready mixed paint for road marking (first revision)
IS 1419: 1989	Antifouling paint, brushing for ship's bottom and hulls- Specification (second revision)
IS 6714: 1989	Ready mixed paint, finishing, non-slip, deck – Specification (first revision)
IS 6948: 1973	Specification for Ready mixed paint, undercoat, synthetic for ships
IS 6951: 1973	Specification for Ready mixed paint, finishing, exterior for ships
IS 1477: Part I: 1971	Code of Practice for Painting of Ferrous Metals in Buildings - Part I: Pretreatment
IS 1477: Part 2: 1971	Code of practice for painting of ferrous metals in buildings: Part2 Painting
IS 9954: 1981	Pictorial Surface Preparation Standards for Painting of Steel Surfaces

## **F. Safety Standards**

The Concessionaire shall ensure compliance with the safety standards set out under Applicable Law/international conventions, as relevant, from time to time including those required under the following:

1. Dock Workers (Safety, Health and Welfare) Act, 1986 & Regulations framed thereunder of 1990.
2. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
3. The Petroleum Act, 1934 along with the Petroleum Rules, 2002.
4. OISD – Guidelines – 156 (Oil Industry Safety Directorate): Fire Protection Facilities for Port Oil Terminals.
5. The Explosives Act, 1884 along with The Explosive Substance Act, 1983 & The Explosive Rules, 1983
6. Guidelines by Fire Advisor, CCE & DG FASLI, Government of India

7. National Fire Codes (National Fire Protection Association – USA)
8. Drill Manual for the Fire Services of India.
9. International Safety Guide for Oil Tankers & Terminals.
10. ISPS (International Ship & Port Facility Security) Code (2003 Edition)
11. MARPOL CONVENTION
12. International Maritime Dangerous Goods Code

[Besides the above, the Concessioning Authority may prescribe standards specific to the port/project]

**APPENDIX 5**  
**PROJECT SCHEDULE**

<b>Milestone date</b>	<b>Activity/level of completion of project of scope of work as per Appendix – 4 (Civil &amp; Mechanical work etc.)</b>
45 days from Date of Award of Concession	Finalization of Detailed Project Report for EQ-6 and placement of Orders for cranes.
180 Days from Date of Award of Concession	[25% of Construction Works should have been completed]
365 Days from Date of Award of Concession	[50% of Construction Works should have been completed]
450 Days from Date of Award of Concession	[100% of Construction Works should have been completed]



## **APPENDIX 6**

### **DESIGNS AND DRAWINGS**

As per Scope of Work specified in Appendix - 4, the Concessioner shall submit for review by the Concessioning Authority / Independent Engineer –

#### **CIVIL:**

The Concessionaire shall submit the following:

1. General Layout of the Terminal and stack-yard developments.
2. Layout of the facilities planned.
3. Typical soil parameters considered in the design.
4. Layout of material handling facility proposed by the concessionaire.
5. Sectional layout of material handling facility.
6. Detailed designs and drawings for HMCs and Mobile hoppers.
7. Detailed designs and drawings for the development of proposed stockyard.
8. Any other Project relevant drawings intended by the Concessioning Authority

#### **DESIGN AND DRAWINGS**

The Concessioning Authority expects that the concessionaire submit the following drawings and designs

##### **A. Drawings**

1. Survey layout with the facilities planned
2. Layout of works
3. Drawings of site specific soil profile and for soil improvement
4. Drawings for temporary works
5. Any other drawing required for proper execution.

##### **B. Designs**

1. Designs of temporary works
2. Detailed design of operational buildings
3. Any other designs required for proper execution.

#### **Mechanical:**

##### **1. CALCULATIONS AND MANUALS:**

The bearing life and all other relevant calculations relating to the slew assemblies shall be supplied before testing and commissioning of the machines. Other data such as bearing manufacture number, serial number etc. must be submitted to the Independent Engineer for future reference. Bolt connection calculations for operating and maximum no operating conditions to be submitted. The

manufacturer's quality control activities shall include the testing of all roller and/or ball races of the bearing for cracks or imperfections using magnetic particle testing in accordance with AS 1171 or equivalent Indian Standard. The test certificates shall be submitted along with the supply of bearing. In addition the following information are required to be submitted.

- Installation drawings. .
- Illustrated description of installation procedure.
- Permissible bearing wear including methods and intervals of measurement.
- Grade and tightening methods or torques of bearing holding bolts including tolerances and recommended re-torquing intervals.
- Position of bearing "soft spots" and their required placement relative to stationary and rotating parts of the machine.
- Grease types and recommended greasing intervals for the labyrinth seals, bearing and gears as applicable.

## **2. DRAWINGS & OTHER INFORMATION:**

2.1. All drawings shall be prepared using the latest version of AutoCAD.

2.2. AS BUILT DRAWINGS {in CD ROM (in AutoCAD format) and Reproducible Tracing Format (RTF)} of the components, subassemblies, structures, electrical, etc. including, but not limited to the following, to be submitted prior to handing over:

- i. General Arrangement Drawings, with Principal Details and Leading Dimensions, etc.,
- ii. Drawings of bought out items.
- iii. Single line electrical schematic drawings, including Cable Routes, Lighting Equipment details, Electrical Panel Diagram and Earthing Scheme.
- iv. Outline drawings with principal details and leading dimensions of major electrical equipment.
- v. Diagram showing wheel loads.
- vi. Schematic electronic and programmable control details.
- vii. Schematic arrangement of Luffing Mechanism.
- viii. Schematic Hydraulic Circuits, wherever applicable.
- ix. General Arrangements of Machinery House, Electrical Control Room, etc.
- x. General Arrangement of the Operator's Cabin, clearly indicating the location of various controls and indicators.
- xi. Detailed Drawings of Luffing Arrangements.
- xii. Detailed Structural drawings.
- xiii. Detailed drawings of Machinery Room and Operator's Cabin including Power Equipment arrangement.

2.3. Technical details of all bought out items, including, but not limited to the followings, are to be submitted along with Reclaimer, before handing over :

- a) Parts Catalogues.
- b) Name and Address of the Manufacturer(s).
- c) Name and Address of the Indian Agent(s) of the Manufacturer(s), wherever applicable
- d) Bearing Number(s) & Oil Seal Size(s) for all Gear Reducers and Bearing Number(s) for all Motors

2.4. “AS CONSTRUCTED” Performance Specification, including the followings, are to be submitted along with each, before handing over:

- a) Wheel loads.
- b) Operating Speeds.
- c) Commissioning Test Results.
- d) Statutory Test Certificates.
- e) Others as per Scope of Work.

2.5. Major Technical Details and Make / Brand of the following items, are to be submitted along with each Equipment, before handing over:

- a) Motors.
- b) Switch Gears.
- c) Power Electronics, Control System and PLCs.
- d) Hydraulic Power Packs.

2.6. OPERATION & MAINTENANCE MANUAL:

2.6.1. The contractor shall have to provide also Operating and Maintenance (O&M) Manual, which will cover the operation, lubrication, maintenance and inspection of the Equipments, including routine and major maintenance of mechanical and electrical components. Routine and major inspection of the structure shall be covered by the structural maintenance manual. Detailed electrical drawing shall have to be included with each O&M Manual. The O&M Manual shall be hard bound and indexed for easy reading. The Contractor shall furnish 6 sets O&M Manual along with supply of each Equipment.

2.6.2. Following manuals to be provided with Equipments before handing over:

- a) All Technical and Operating Instruction Manuals for the Equipments and components.
- b) Manuals for Setting up and Test Procedures.
- c) Manuals for Operational Duties and restrictions.
- d) Manuals for Maintenance for enabling the technicians to undertake all necessary repairs, disassembly, re-assembly, fault finding procedures and any other maintenance or repair procedures, required to be undertaken.

2.7. DESIGN APPRAISAL AND APPROVAL OF QUALITY ASSUARANCE PLAN: The design of the equipments are to be appraised to the Independent Engineer, to be appointed. The successful BOT Operator will submit the Quality Assurance Plan (based on Technical Specification & Scope of Work) to the “ Independent Engineer” for approval, duly recommended by the 3rd Party Inspection Agency. After approval of the Quality Assurance Plan (QAP) by the “Engineer”, inspection will be carried out by the 3rd Party Inspection Agency, based on the approved QAP, Technical Parameters & Scope of Work.

Note: 1) All dimensional drawings 6 sets should be supplied at the time of handing over the

machine

Sl.No	Description	Quantity
1.	Dimensional drawings	6 sets
2.	Spare parts catalogue	6 sets
3.	Operation manual	6 sets
4.	Maintenance manual	6 sets
5.	Electrical circuit diagram	6 sets

**General:**

Sourcing of all materials as well as compliance with Environmental requirements under the Applicable Laws in respect of all works to be executed under the Concession Agreement shall be the sole responsibility of the Concessionaire. All materials whether natural (such as earth, gravel, sand, aggregates etc.,) processed (such as concrete mixes, bitumen) or manufactured (such as cement, steel, bollards, fenders, ladders, crane rails etc.,) shall be incorporated in the work only if they are tested and found to meet the requirements of the standards or in the absence of the same conform to the Good Industry Practice.

**Natural Materials:**

Physical requirements of earth, gravel, sand and aggregates shall conform to the requirements of the provisions of the relevant Indian Standards.

Natural aggregates when crushed and blended for various uses different size fractions shall be proportioned to form grading conforming to the requirements of the relevant Indian Standards as are relevant to the intended use of the material.

**Processed materials:**

**Cement concrete mixes:**

Concrete mixes plain or reinforced shall be design mixes designed in accordance with the provisions of IS 456. Concrete of M-30 grade or higher shall be used for the project except for the leveling course in foundations where M15 grade concrete shall be used. Specific requirements of the mixes (such as workability, water cement ratio, use of admixtures, grades of cement and steel, minimum and maximum cement content, 7 days and 28 days strengths etc.,) shall be as per those provisions of relevant Indian Standard specifications as are relevant to the intended use of the concrete mix.

**Bituminous mixes:**

Bituminous mixes shall be hot mix type and shall be designed in accordance with the provisions of MOST specifications as relevant to the type of mix intended to be used.

**Manufactured materials:**

**Cement:**

Ordinary Port land cement grades 33, 43 and 53 conforming to IS:269, IS:8112 and IS:12269

respectively or Port land slag cement conforming to IS : 455 shall be used subject to the condition that the design cement content does not exceed 540 Kg/cum and the minimum requirement of cement from durability considerations are provided. It is expressly clarified that the use of Port land pozzolana cement shall not be permissible for any structural concrete.

**Bitumen:**

Paving grade bitumen conforming to IS :73 shall be used. Crumb rubber modified bitumen (CRMB) and polymer modified bitumen (PMB) conforming to IRC :SP: 53 shall be used.

**Steel:**

High yield strength deformed (HYSD) reinforcing bars of Fe -415 grade conforming to IS:1786 and high tensile strength pre-stressing tendons conforming to IS:6006 shall be used.

Expansion joints, anchorages, fenders, bollards, ladders shall meet the relevant provisions of the Indian Standard Codes, recommendations of the system providers, manufacturers testing and certification and the designers design assumptions.

The Concessionaire may use other construction materials for which a detailed design procedure to be adopted shall be furnished to Independent Engineer for review and comments

<b>Details of the design and drawings</b>	<b>Time by which to be submitted from the date of award of work</b>
The details of the design and drawings are to be specified in the Detailed Project Report submitted by the successful bidder and approved by the Independent Engineer, post Award of Concession.	The Time Lines for approval of Designs and Drawings in the Construction Period of the Project as approved by the Independent Engineer is, as per the DPR

## **APPENDIX 7**

### **TERMS OF REFERENCE FOR INDEPENDENT ENGINEER**

#### **1. Scope**

- 1.1. These Terms of Reference for the Independent Engineer (the “**TOR**”) are being specified pursuant to the Concession Agreement dated \_\_\_\_\_ (the “**Agreement**”), which has been entered into between the Authority and \_\_\_\_\_ (the “**Concessionaire**”) for the Project \_\_\_\_\_ at \_\_\_\_\_ on design, build, finance, operate and transfer (the “**DBFOT**”) basis, and a copy of which is annexed hereto and marked as Annex-A to form part of this TOR.
- 1.2. This TOR shall apply to construction, operation and maintenance of the Project.

#### **2. Definitions and interpretation**

- 2.1 The words and expressions beginning with or in capital letters used in this TOR and not defined herein but defined in the Agreement shall have, unless repugnant to the context, the meaning respectively assigned to them in the Agreement
- 2.2 References to Articles, Clauses and Appendix in this TOR shall, except where the context otherwise requires, be deemed to be references to the Articles, Clauses and Appendix of the Agreement, and references to Paragraphs shall be deemed to be references to Paragraphs of this TOR.
- 2.3 The rules of interpretation stated in Clauses 1.3, 1.4 and 1.5 of the Agreement shall apply, *mutatis mutandis*, to this TOR.

#### **3. Role and functions of the Independent Engineer**

- 3.1 The role and functions of the Independent Engineer shall include the following:
  - a. review of the Drawings and Documents as set forth in Paragraph 4;
  - b. review, inspection and monitoring of Construction Works as set forth in Paragraph 5;
  - c. conducting Tests on completion of construction and issuing Completion/ Provisional Certificate as set forth in Paragraph 5;
  - d. review, inspection and monitoring of operation and maintenance as set forth in Paragraph 6;
  - e. review, inspection and monitoring of Concessionaire’s obligations in Clause 18.2 and as set forth in Paragraph 7;
  - f. determining, as required under the Agreement, the costs of any works or services and/or their reasonableness;
  - g. determining, as required under the Agreement, the period or any extension thereof, for performing any duty or obligation;
  - h. assisting the Parties in resolution of Disputes as set forth in Paragraph 9; and

- i. Undertaking all other duties and functions in accordance with the Agreement.
  - j. Review and monitor the financial issues and the escrow agreement as a part of mandatory obligation, duly engage in financial consultant / teams
  - k. Approval of actual capital cost of the project upon completion of project
- 3.2 The Independent Engineer shall discharge its duties in a fair, impartial and efficient manner, consistent with the highest standards of professional integrity and Good Industry Practice.

#### **4. Development Period**

- 4.1 During the Development Period, the Independent Engineer shall undertake a detailed review of the Drawings to be furnished by the Concessionaire along with supporting data, including the geo-technical and hydrological investigations, characteristics of materials from borrow areas and quarry sites, topographical surveys and traffic surveys. The Independent Engineer shall complete such review and send its comments/observations to the Concessions Authority and the Concessionaire within 15 (fifteen) days of receipt of such Drawings. In particular, such comments shall specify the conformity or otherwise of such Drawings with the Scope of the Project and specifications and standards.
- 4.2 The Independent Engineer shall review any modified Drawings or supporting documents sent to it by the Concessionaire and furnish its comments within 7 (seven) days of receiving such Drawings or Documents.
- 4.3 The Independent Engineer shall review the Drawings in accordance with Appendix-6 and furnish its comments thereon to the Concessions Authority and the Concessionaire within 7 (seven) days of receiving such Drawings.
- 4.4 The Independent Engineer shall review the detailed design, construction methodology, quality assurance procedures and the procurement, engineering and construction time schedule sent to it by the Concessionaire and furnish its comments within 15 (fifteen) days of receipt thereof.
- 4.5 Upon reference by the Concessions Authority, the Independent Engineer shall review and comment on the EPC Contract or any other contract for construction, operation and maintenance of the Project, and furnish its comments within 7 (seven) days from receipt of such reference from the Concessions Authority.

#### **5. Construction Period**

- 5.1 In respect of the Drawings, Documents received by the Independent Engineer for its review and comments during the Construction Period, the provisions of Paragraph 4 shall apply, *mutatis mutandis*.
- 5.2 The Independent Engineer shall review the monthly progress report furnished by the Concessionaire and send its comments thereon to the Concessions Authority and the Concessionaire within 7 (seven) days of receipt of such report.

- 5.3 The Independent Engineer shall inspect the Construction Works once every month, preferably after receipt of the monthly progress report from the Concessionaire, but before the 20th (twentieth) day of each month in any case, and make out a report of such inspection (the “Inspection Report”) setting forth an overview of the status, progress, quality and safety of construction, including the work methodology adopted, the materials used and their sources, and conformity of Construction Works with the Scope of the Project and the specifications and standards. In a separate section of the Inspection Report, the Independent Engineer shall describe in reasonable detail the lapses, defects or deficiencies observed by it in the construction of the Project. The Independent Engineer shall send a copy of its Inspection Report to the Concessioneing Authority and the Concessionaire within 7 (seven) days of the inspection.
- 5.4 The Independent Engineer may inspect the project more than once in a month if any lapses, defects or deficiencies require such inspections.
- 5.5 For determining that the Construction Works conform to specifications and standards, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests on a sample basis, to be specified by the Independent Engineer in accordance with Good Industry Practice for quality assurance. For purposes of this Paragraph 5.5, the tests specified in the relevant Manuals specified by the Concessioneing Authority in relation to structures, buildings and equipment (the “Quality Control Manuals”) or any modification/substitution thereof shall be deemed to be tests conforming to Good Industry Practice for quality assurance. The Independent Engineer shall issue necessary directions to the Concessionaire for ensuring that the tests are conducted in a fair and efficient manner, and shall monitor and review the results thereof.
- 5.6 The sample size of the tests, to be specified by the Independent Engineer under paragraph 5.5, shall comprise 10% of the quantity or number of tests prescribed for each category or type of tests in the Quality Control Manuals; provided that the Independent Engineer may, for reasons to be recorded in writing, increase the aforesaid sample size by up to 10% for certain categories or types of tests.
- 5.7 The timing of tests referred to in Paragraph 5.5, and the criteria for acceptance/ rejection of their results shall be determined by the Independent Engineer in accordance with the Quality Control Manuals. The tests shall be undertaken on a random sample basis and shall be in addition to, and independent of, the tests that may be carried out by the Concessionaire for its own quality assurance in accordance with Good Industry Practice.
- 5.8 In the event that the Concessionaire carries out any remedial works for removal or rectification of any defects or deficiencies, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests to determine that such remedial works have brought the Construction Works into conformity with the specifications and standards, and the provisions of this Paragraph 5 shall apply to such tests.
- 5.9 In the event that the Concessionaire fails to achieve any of the Project Milestones, the Independent Engineer shall undertake a review of the progress of construction and identify potential delays, if any. If the Independent Engineer shall determine that completion of the Project is not feasible within the time specified in the Agreement, it shall require the Concessionaire to indicate within 15 (fifteen) days the steps proposed to be taken to expedite progress, and the period within which COD shall be achieved. Upon receipt of a report from



the Concessionaire, the Independent Engineer shall review the same and send its comments to the Concessioneing Authority and the Concessionaire forthwith.

- 5.10 If at any time during the Construction Period, the Independent Engineer determines that the Concessionaire has not made adequate arrangements for the safety of workers and Users in the zone of construction or that any work is being carried out in a manner that threatens the safety of the workers and the Users, it shall make a recommendation to the Concessioneing Authority forthwith, identifying the whole or part of the Construction Works that should be suspended for ensuring safety in respect thereof.
- 5.11 In the event that the Concessionaire carries out any remedial measures to secure the safety of suspended works and Users, it may, by notice in writing, require the Independent Engineer to inspect such works, and within 3 (three) days of receiving such notice, the Independent Engineer shall inspect the suspended works and make a report to the Concessioneing Authority forthwith, recommending whether or not such suspension may be revoked by the Concessioneing Authority.
- 5.12 If suspension of Construction Works is for reasons not attributable to the Concessionaire, the Independent Engineer shall determine the extension of dates set forth in the Project Completion Schedule, to which the Concessionaire is reasonably entitled, and shall notify the Concessioneing Authority and the Concessionaire of the same.
- 5.13 The Independent Engineer shall carry out, or cause to be carried out, all the Tests specified in this Appendix-7 and issue a Completion Certificate or Provisional Certificate, as the case may be. For carrying out its functions under this Paragraph 5.13 and all matters incidental thereto, the Independent Engineer shall act under and in accordance with the provisions of Clause 6.7 and this Appendix-7.
- 5.14 Upon reference from the Concessioneing Authority, the Independent Engineer shall make a fair and reasonable assessment of the costs of providing information, works and services as set forth in Clause 6.8 and certify the reasonableness of such costs for payment by the Concessioneing Authority to the Concessionaire.
- 5.15 The Independent Engineer shall aid and advise the Concessionaire in preparing the maintenance manual.

## **6. Operation Period**

- 6.1 In respect of the Drawings, Documents and Safety Standards received by the Independent Engineer for its review and comments during the Operation Period, the provisions of Paragraph 4 shall apply, *mutatis mutandis*.
- 6.2 The Independent Engineer shall review the monthly report on cargo traffic, unit gross output/ discharge rates at berth, daily output rated per vessel, Tariff earned and collected in respect of Project Facilities and Services furnished by the Concessionaire and send its comments thereon to the Concessioneing Authority and the Concessionaire within 7 (seven) days of receipt of such report.
- 6.3 The Independent Engineer shall inspect the Project, once every year, before the 20<sup>th</sup> (twentieth) day of any month, and make out an operation and maintenance inspection report setting forth an overview of the status, quality and safety of operation and maintenance

including its conformity with the key performance indicators, maintenance requirements and Safety Standards. In a separate section of the operation and maintenance inspection report, the Independent Engineer shall describe in reasonable detail the lapses, defects or deficiencies observed by it in operation and maintenance of the Project. The Independent Engineer shall send a copy of its operation and maintenance inspection report to the Concessioneing Authority and the Concessionaire within 7 (seven) days of the inspection.

- 6.4 The Independent Engineer may inspect the Project more than once in a year, if any lapses, defects or deficiencies require such inspections.
- 6.5 The Independent Engineer shall in its operation and maintenance inspection report specify the tests, if any, that the Concessionaire shall carry out, or cause to be carried out, for the purpose of determining that the Project is in conformity with the maintenance requirements. It shall monitor and review the results of such tests and the remedial measures, if any, taken by the Concessionaire in this behalf.
- 6.6 The Independent Engineer shall determine if any delay has occurred in completion of repair or remedial works in accordance with the Agreement, and shall also determine the damages, if any, payable by the Concessionaire to the Concessioneing Authority for such delay.

## **7. Termination**

- 7.1 At any time, not earlier than 90 (ninety) days prior to termination but not later than 15 (fifteen) days prior to such termination, the Independent Engineer shall, in the presence of a representative of the Concessionaire, inspect the Project for determining compliance by the Concessionaire with the requirements set forth in Clause 18.2 and, if required, cause tests to be carried out at the Concessionaire's cost for determining such compliance.

## **8. Determination of costs and time**

- 8.1 The Independent Engineer shall determine the costs, and/or their reasonableness, that are required to be determined by it under the Agreement.
- 8.2 The Independent Engineer shall determine the period, or any extension thereof, that is required to be determined by it under the Agreement.

## **9. Assistance in Dispute resolution**

- 9.1. When called upon by either Party in the event of any Dispute, the Independent Engineer shall mediate and assist the Parties in arriving at an amicable settlement.
- 9.2 In the event of any disagreement between the Parties regarding the meaning, scope and nature of Good Industry Practice, as set forth in any provision of the Agreement, the Independent Engineer shall specify such meaning, scope and nature by issuing a reasoned written statement relying on good industry practice and authentic literature.

## **10. Other duties and functions**

The Independent Engineer shall perform all other duties and functions specified in the Agreement.

## **11. Miscellaneous**

- 11.1 The Independent Engineer shall notify its programme of inspection to the Concessioneing Authority and to the Concessionaire, who may, in their discretion, depute their respective representatives to be present during the inspection.
- 11.2 A copy of all communications, comments, instructions, Drawings or Documents sent by the Independent Engineer to the Concessionaire pursuant to this TOR, and a copy of all the test results with comments of the Independent Engineer thereon shall be furnished by the Independent Engineer to the Concessioneing Authority forthwith.
- 11.3 The Independent Engineer shall obtain, and the Concessionaire shall furnish in 2 (two) copies thereof, all communications and reports required to be submitted, under this Agreement, by the Concessionaire to the Independent Engineer, whereupon the Independent Engineer shall send 1 (one) of the copies to the Concessioneing Authority along with its comments thereon.
- 11.4 The Independent Engineer shall retain at least one copy each of all Drawings and Documents received by it, including 'as-built' Drawings, and keep them in its safe custody.
- 11.5 Upon completion of its assignment hereunder, the Independent Engineer shall duly classify and list all Drawings, Documents, results of tests and other relevant records, and hand them over to the Concessioneing Authority or such other person as the Concessioneing Authority may specify, and obtain written receipt thereof. Two copies of the said documents shall also be furnished in their editable digital format or in such other medium or manner as may be acceptable to the Concessioneing Authority.
- 11.6 Wherever no period has been specified for delivery of services by the Independent Engineer, the Independent Engineer shall act with the efficiency and urgency necessary for discharging its functions in accordance with Good Industry Practice.

## **Annexure**

### **Tests**

[Depending on the parameters of the Project/Construction Requirements, the Tests shall be as per Good Industry Practice shall be stipulated on a project specific basis and listed in this Annexure.]

**APPENDIX 8**  
**PERMITS AND CLEARANCES PROCURED BY THE CONCESSIONAIRE/  
CONCESSIONING AUTHORITY**

A. Applicable Permits to be obtained by the Concessionaire before commencement of Construction Works.

<b>Permits /Clearance</b>	<b>Granting Authority</b>
Consent to Establish	State Pollution Control Board
Plot Plan approval	Dock safety Inspector / OISD guidelines
Electrical Installations	Department of Electrical Inspectorate, Government of Andhra Pradesh
Fire safety concerns	Chief Fire Officer, Hyderabad OISD Guidelines or applicable international codes/practices

Apart from the above mentioned clearances and permits, the Concessionaire shall also be responsible to obtain all other necessary permits and clearances required for implementation of the Project and which are not explicitly required to be obtained by the Authority under this Agreement. In this regard, the Concessionaire will have to ascertain independently the applicable permits/ clearances/approvals apart from what is provided above, that are required for implementation of the Project during the Concession Period.

List of applicable permits to be obtained by Concessionaire after completion of construction work

<b>Permits /Clearance</b>	<b>Granting Authority</b>
Consent to Operate	State Pollution Control board

B. Permits and clearances under Applicable Laws as will be procured by the Concessioning Authority before the commencement of the Project, to be specified by the Concessioning Authority

<b>Activity</b>	<b>Granting Authority</b>
Port limit notification	Ministry of Ports, Shipping and Waterways (MoPSW), Government of India
Custom Notification for part of area proposed to be leased	Commissioner of Customs
Environmental Clearance	Ministry of Environment, Forest and Climate Change (MoEFCC)

## APPENDIX 9

### PERFORMANCE GUARANTEE

(Proforma of E-Bank Guarantee)<sup>4</sup>

THIS DEED OF GUARANTEE executed on this the \_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ by \_\_\_\_\_ (Name of the Bank) having its Head/Registered office at \_\_\_\_\_ hereinafter referred to as **“the Guarantor”** which expression shall unless it be repugnant to the subject or context thereof include its successors and assigns;

In favor of

THE VISAKHAPATNAM PORT AUTHORITY, an autonomous body constituted under the provisions of the Major Port Authorities Act, 2021 and having its Administrative Office at \_\_\_\_\_ (hereinafter referred to as **“Board of Visakhapatnam Port Authority”** or **“the Concessioneing Authority”**) which expression shall, unless repugnant to the context or meaning thereof include its administrators, successors or assigns.

WHEREAS

- a) The Board, vide its Request for Proposal dated \_\_\_\_\_ (“the RFP”) invited duly short-listed bidders to implement a project envisaging \_\_\_\_\_ (more particularly described in Appendix 1 and hereinafter referred to as **“the Project”**);
- b) After evaluation of the bids received in response to the RFP, the Board accepted the bid of the consortium comprising of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ (**“the Consortium”**) OR the Board accepted the bid of \_\_\_\_\_ Ltd. (**“the Applicant”**) and issued the Letter of Intent No \_\_\_\_\_ dated \_\_\_\_ (**“LOI”**) to the Consortium/Applicant requiring, inter alia, the execution of the Concession Agreement, (**“the Concession Agreement”**) the draft whereof was provided in the RFP;
- c) Pursuant to the LOI the Applicant/Consortium has promoted and incorporated a special purpose company \_\_\_\_\_ (**“the Concessionaire”**), to enter into the Concession Agreement for undertaking, inter alia, the work with respect to the Project referred to in Recital (a) above and to perform and discharge all its obligations thereunder.

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<sup>4</sup> To be issued by a Scheduled Bank in India.

- d) In terms of the LOI and the Concession Agreement, the Concessionaire is required to furnish to the Board, a Performance Guarantee being an unconditional and irrevocable E-Bank Guarantee from a Scheduled Bank for a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as security for due and punctual performance/discharge of its obligations under the Concession Agreement during the Construction Phase,
- e) At the request of the Concessionaire, and for valid consideration the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance/discharge by the Concessionaire of its obligations under the Concession Agreement during the Construction Phase.

**NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:**

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Concession Agreement.
2. The Guarantor hereby irrevocably and unconditionally guarantees the due execution and punctual performance by M/s. \_\_\_\_\_ (“the **Concessionaire**”) of all its obligations under the Concession Agreement during the Construction Phase.
3. The Guarantor shall, without demur or protest, pay to the Board sums not exceeding in aggregate Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) within five (5) calendar Days of receipt of a written demand therefor from the Board stating that the Concessionaire has failed to meet its performance obligations under the Concession Agreement during the Construction Phase. The Guarantor shall not go into the veracity of any breach or failure on the part of the Concessionaire or validity of demand so made by the Board and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Concessionaire or any other Person before any court, tribunal, expert, arbitrator or similar proceedings. The Guarantor’s obligations hereunder shall subsist until all such demands of the Board are duly met and discharged in accordance with the provisions hereof. Any such demand made on the Guarantor by the Board shall be conclusive, absolute and unequivocal as regards the amount due and payable by the Guarantor under this Agreement. The Concessioning Authority shall at all times at its sole discretion have the absolute and unconditional right to call upon the Guarantor to pay the amount under the Guarantee. In order to give effect to this Guarantee, the Board shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Concession Agreement or other documents or by the extension of time for performance granted by the Board or postponement/non exercise/ delayed exercise of any of its rights by the Board or any indulgence shown by the Board to the Concessionaire and the Guarantor shall not be relieved from its obligations under this Guarantee on account of any such variation, extension, postponement, non-exercise or delayed exercise by the Board of any of the Board’s rights or

any indulgence shown by the Board; provided nothing contained herein shall enlarge the Guarantor's obligation hereunder.

4. This Guarantee shall be unconditional and irrevocable and shall remain in full force and effect until Scheduled Project Completion Date and for a period of twelve months thereafter unless discharged/released earlier by the Board in accordance with the provisions of the Concession Agreement. The Guarantor's liability in aggregate shall be limited to a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
5. This Guarantee shall not be affected by any change in the constitution or winding up, insolvency, bankruptcy, dissolution or liquidation of the Concessionaire/ the Guarantor or any absorption, merger or amalgamation of the Concessionaire/ the Guarantor with any other Person.
6. Any payment made hereunder shall be made free and clear of, and without deduction for or on account of taxes, levies, imposts, duties, charges, fees, deductions, or withholding of any nature whatsoever.
7. The Guarantor hereby irrevocably and unconditionally undertakes, agrees and acknowledges that its obligations as a Guarantor hereunder:
  - a) shall not be affected by the existence of or release or variation of any other guarantee or security for any of the obligations of the Concessionaire under the Concession Agreement;
  - b) shall not be affected by any failure by the Concessioneing Authority to perform any of its obligations under the Agreement;
  - c) shall not be affected by any failure or delay in payment of any fee or other amount payable to the Guarantor in respect hereof;
  - d) shall not be affected by any exercise or non-exercise of any right, remedy, power or privilege of any person under or in respect of any payment obligations of the Concessionaire under the Concession Agreement;
  - e) shall not be affected by any failure, omission or delay on the Concessioneing Authority's part to enforce, assert or to exercise any right, power or remedy conferred on the Concessioneing Authority in this Guarantee;
  - f) shall not be affected by any act, omission, matter or thing which, but for this clause would reduce, release or prejudice the Guarantor from any of the obligations under this Guarantee or prejudice or diminish the obligations in whole or in part.
8. The obligations, covenants, agreements and duties herein shall not be subject to any counterclaims, cross claims, set offs, deductions, withholdings, diminutions, abatements, recoupments, suspensions, deferments, reductions or defense for any reason whatsoever and the Guarantor, shall have no right to terminate this Guarantee or to be released, relieved or discharged from any of its obligations, covenants, agreements and duties hereunder for any reason whatsoever.
9. The Guarantor has power to issue this guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under \_\_\_\_\_.

10. This Guarantee shall be governed by and construed in accordance with the laws of India. The Guarantor hereby irrevocably submits to the exclusive jurisdiction of the Court of \_\_\_\_\_ for the purposes of any suit, action, or other proceeding arising out of this Guarantee, or the subject matter hereof, brought by the Concessioning Authority or its successors or assigns. To the extent permitted by Applicable Law, the Guarantor or its successors or assigns hereby waive, and shall not assert, by way of motion, as defense, or otherwise, in any such suit, action, or proceeding any claim that such suit, action, or proceedings is brought in an inconvenient forum, or that the value of such suit, action, or proceeding is improper, or that the subject matter hereof may not be enforced in or by such court.

**IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO ON  
THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN.**

SIGNED AND DELIVERED by

\_\_\_\_\_ Bank by the hand of Shri \_\_\_\_\_ its \_\_\_\_\_  
and authorized official.



**APPENDIX 10**  
**CERTIFICATES**

**COMPLETION CERTIFICATE**

1. I, \_\_\_\_\_ (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Agreement dated \_\_\_\_\_, for the \_\_\_\_\_ Project on build, operate and transfer (BOT) basis, through \_\_\_\_\_ [(Name of Concessionaire)], hereby certify that the Tests specified in Article \_\_\_\_\_ and Schedule \_\_\_\_\_ of the Agreement have been successfully undertaken to determine compliance of the Project with the provisions of the Agreement, and I am satisfied that the Project can be safely and reliably placed in commercial service of the users thereof.
  
2. It is certified that, in terms of the aforesaid Agreement, all works forming part of the Project have been completed, and the Project is hereby declared fit for entry into commercial operation on this the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

SIGNED, SEALED AND DELIVERED For and on behalf of  
the INDEPENDENT ENGINEER by:

(Signature)

(Name)

(Designation)

(Address)

## PROVISIONAL CERTIFICATE

1. I, \_\_\_\_\_ (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Agreement dated \_\_\_\_\_, for the Project on build, operate and transfer (BOT) basis through \_\_\_\_\_ (Name of Concessionaire), hereby certify that the Tests specified in Article \_\_\_\_\_ and Schedule \_\_\_\_\_ of the Agreement have been undertaken to determine compliance of the Project with the provisions of the Agreement.
2. Construction Works that were found to be incomplete and/or deficient have been specified in the Punch List appended to the Provisional Certificate, and the Concessionaire has agreed and accepted that it shall complete and/or rectify all such works in the time and manner set forth in the Agreement. [Some of the incomplete works have been delayed as a result of reasons attributable to the Concessioneing Authority or due to Force Majeure and the Provisional Certificate cannot be withheld on this account. Though the remaining incomplete works have been delayed as a result of reasons attributable to the Concessionaire,] I am satisfied that having regard to the nature and extent of such incomplete works, it would not be prudent to withhold commercial operation of the Project, pending completion thereof.
3. In view of the foregoing, I am satisfied that the Project can be safely and reliably placed in commercial service of the users thereof, and in terms of the Agreement, the Project is hereby provisionally declared fit for entry into commercial operation on this the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

ACCEPTED, SIGNED, SEALED AND

SIGNED, SEALED AND DELIVERED

DELIVERED For and on behalf of  
CONCESSIONAIRE by:

For and on behalf of  
INDEPENDENT ENGINEER by:

(Signature)

(Signature)

(Name and Designation)

(Name and Designation)

(Address)

(Address)

**APPENDIX 11**  
**PERSONNEL AND LABOUR REQUIREMENTS**

Nil

**APPENDIX 12**  
**RATES APPLICABLE IN RESPECT OF LAND, UTILITIES AND SERVICES**

1. For Land : **Schedule of Rates**
2. For Utilities and services : **Scale of Rates**

### **APPENDIX 13**

#### **MINIMUM GUARANTEED CARGO**

The selected Concessionaire is required to guarantee to handle through the traffic volumes as under:

<b>Sl. No</b>	<b>Period*</b>	<b>MGC</b>	<b>Quantity</b>
<b>1</b>	<b>0-5 years</b>	<b>45% of 2.62 MT</b>	<b>1.18 MTPA</b>
<b>2</b>	<b>6-15 years</b>	<b>70% of 2.62 MT</b>	<b>1.83 MTPA</b>
<b>3</b>	<b>Beyond 15 years</b>	<b>75% of 2.62 MT</b>	<b>1.96 MTPA</b>

- Period is reckoned from the date of commercial operations.
- The Minimum Guaranteed Cargo shall be computed from 1st April of every year to 31st March of subsequent year. If the first year operation after construction phase is less than 12 months, the Minimum Guaranteed Traffic will be arrived on proportionate basis.
- In case, the construction phase is extended by the Concessioning Authority without levy of Liquidated damages, the payment of MGT is not applicable to the Concessionaire for the extended construction phase period. In case, the construction phase is extended by the Concessioning Authority with levy of Liquidated damages, the payment of MGT is applicable to the concessionaire for the extended construction phase period.

## **APPENDIX 14**

### **PERFORMANCE STANDARDS**

[This Appendix will prescribe project-specific minimum Performance Standards. The Performance Standards prescribed in this Appendix will assess productivity of the terminal/berth etc. as also the manner in which the assessment of compliance/shortfall in compliance will be made. The Performance Standards given below are indicative. Ports will have to develop Performance Standards for each specific project. These Performance Standards can be drawn from the specific design parameters as prescribed in the feasibility report and circulated to the selected bidders as well as the operational requirements and will be firmed up at the RFP stage for each project. Further, the dynamics in handling of export and import cargoes being different, distinction in the Performance Standards between import and export cargoes should be made. The guidelines for formulating the Performance Standards along with the indicative standards and norms are given below which may be customized as per the requirements of the Project. Weightages in case of shortfall in meeting the prescribed minimum standards in respect of each of the performance standards shall be assigned by the Concessioning Authority keeping in view the project-specific operational requirements.]

#### **Performance Standards**

This Appendix will prescribe project-specific minimum Performance Standards. The Performance Standards prescribed in this Appendix will assess productivity of the terminal/berth etc. as also the manner in which the assessment of compliance/shortfall in compliance will be made.

#### **1. Gross Berth Output (x) :**

The parameter deals with the productivity of the terminal (Gross Berth Output) for different types of cargo. In case of dry and break-bulk cargo, the capability of the terminal (mechanization, method of handling) and parcel size will determine the Gross Berth Output. Higher terminal capability and greater parcel size will lead to high productivity.

The Gross Berth Output shall be calculated as the total cargo handled (either loaded/unloaded) from the ship during the quarter, divided by the number of working days of the ship at the working berth. While determining the number of working days / hours, delays not attributable to the terminal shall be excluded.

**Norms for Gross Berth Output for different vessel parcels.**

Sl. No	Cargo Category	Norm
<b>1</b>	<b>Bulk Cargo Import (Mechanised):</b>	
	For handling more than 1,00,000 MT parcel size	50,000 T / day
	For handling between 65,000 MT to 1,00,000 MT parcel size	40,000 T / day
	For handling between 30,000 MT to 65,000 MT parcel size	20,000 T / day
	For handling less than 30,000 MT parcel size	10,000 T / day
<b>2</b>	<b>Bulk Cargo Export (Mechanised):</b>	
	For handling more than 1,00,000 MT parcel size	50,000 T / day
	For handling between 65,000 MT to 1,00,000 MT parcel size	40,000 T / day
	For handling between 30,000 MT to 65,000 MT parcel size	20,000 T / day
	For handling less than 30,000 MT parcel size	10,000 T / day
<b>3</b>	<b>Fertilizer Import (Mechanised):</b>	
	For handling more than 30,000 MT parcel size	12,500 T / day
	For handling less than 30,000 MT parcel size	7,500 T / day
<b>4</b>	<b>Coke Import (Mechanized)</b>	
	For handling more than 30,000 MT parcel size	10,000 T / day
	For handling less than 30,000 MT parcel size	7,000 T / day
<b>5</b>	<b>Break Bulk Cargo:</b>	
	Steel and Bagged Cargo	4,000 T / day
	Others	2,500 T / day

Weightage in case of a shortfall in meeting the prescribed performance standard - 0.7

**2. Transit Storage Dwell Time (y):**

**Bulk & Steel Cargo:**

The Transit Storage Dwell Time for mixed dry and break bulk cargo shall be calculated as half of the average parcel size of above cargo vessels during the quarter divided by average disposal / receipt of cargo from the port per day as per the following methodology:

Transit Storage Time for Bulk Cargo = 0.5 (B/A)

Average Parcel Sizes (B) =  $P_1 + P_2 + \dots + P_n$   
n (Number of Parcels)

P<sub>1</sub>, P<sub>2</sub> ....., P<sub>n</sub> are parcel size of each vessel in a month.

Average disposal / receipt of Cargo per day (A) =  $\frac{OB + \text{Received} / \text{Dispatched} - CB}{\text{Number of Days}}$

OB = Opening Balance, CB = Closing Balance.

Weightage in case of a shortfall in meeting the prescribed performance standard - 0.2

### 3. Turn Round Time for Delivery operation (z) :

The Turn Round Time for delivery /receipt operation shall be the sum of the time taken for loading cargo divided by the number of trucks deployed, as the case may be, in the quarter.

Mode of Transportation - Delivery (Import)	Duration Norm in Hours
Truck / Trailer for Dry Bulk and Break Bulk Cargo-Single Operation	4.0
Truck / Trailer for Dry Bulk and Break Bulk Cargo-Double Operation	8.0

Weightage in case of a shortfall in meeting the prescribed performance standard - 0.1

#### **Performance Evaluation and calculation of liquidated damages:**

Performance evaluation shall be made on a quarterly review of the reports furnished by the Concessionaire and / or the records of the Concessionaire and / or by an enquiry by the Concessioneing Authority, duly verifying the data based on the information available with the Concessioneing Authority, where applicable. The Concessionaire shall be liable to pay liquidated damages determined at the rate of 1% (one per cent) of the Project Revenue of the respective quarter for every shortfall of 10% (ten per cent) in the average performance which shall be assessed in the following manner.

Each Performance Standard is calculated as an average in the manner indicated above. The actual average performance vis-à-vis a standard will be evaluated against the prescribed standard. The shortfall will be computed as a percentage of the prescribed standard. The shortfall in respect of each performance standard will have a weightage assigned to it. The overall shortfall in average performance shall be assessed as the aggregate of the weighted shortfalls in respect of each of the performance standards. For example, if there is a shortfall in Gross Berth Output by x%, Transit Storage Dwell Time by y% and Turn round time for delivery operations by z% and the weightage assigned to such shortfalls is 0.7, 0.2 and 0.1 respectively, then the overall shortfall in average performance will be  $(0.7x + 0.2y + 0.1z)\%$ .

#### **NOTE**

- In case of new Cargoes, if any handled during the Concession period, necessary Indicative Norms, LD calculation procedure shall be arrived at by the Concessioneing Authority, duly considering the latest provisions of the MCA.

Currently, there is no Wagon loading / unloading operation at the facility. However, if any Railway siding is proposed in future for the facility, during the Concession period, the Norms for Wagon loading / unloading duration shall be as per those laid out by the Indian Railways from time to time.



# Sample LD Calculation

Page No.3

## EQ-6 Mechanization OSBD Calculation Illustration - "X"

Type of Cargo	Vessel Parcel Size	Indicative Norm in Tonnes per Day	Tonnage Handled	Vessel Total Stayal at Berth in Hours	Pre Commencement Delays in Hours	Post Completion Delays in Hours	Delays due to Bad Weather	Total Stayal at Berth excluding Delays at d, e & f	Actual OSBD achieved in wt	Shortfall in OSBD Norm	% Shortfall (X)	Shortfall in OSBD Performance @ 0.7 (X) Weightage
	a	b	c	d	e	f	g	$h = (d - (e + f + g))$	$i = (c/h) \times 24$	$j = b - i$	$k = (j/b) \times 100$	$l = 0.7 \times k$
Bulk Cargo Import	> 1,00,000	50,000	1,10,000	60.00	3.00	4.00	5.00	48.00	55,800	-	0.0	0.00
	65,000 to 1,00,000	40,000	1,50,000	120.00	3.00	5.00	8.00	104.00	34,615	5,385	13.5	9.42
	30,000 to 65,000	20,000	1,20,000	130.00	3.00	5.00	2.00	120.00	24,800	-	0.0	0.00
	< 30,000	10,000	1,00,000	180.00	2.00	2.00	1.00	175.00	13,714	-	0.0	0.00
Bulk Cargo Export	> 1,00,000	50,000	1,05,000	60.00	3.00	4.00	5.00	48.00	52,500	-	0.0	0.00
	65,000 to 1,00,000	40,000	1,40,000	120.00	3.00	5.00	8.00	104.00	32,308	7,692	19.2	13.48
	30,000 to 65,000	20,000	1,20,000	130.00	3.00	5.00	2.00	120.00	24,800	-	0.0	0.00
	< 30,000	10,000	90,000	180.00	2.00	2.00	1.00	175.00	12,343	-	0.0	0.00
Fertilizer Import	> 30,000	12,500	85,000	150.00	2.00	2.00	2.00	144.00	10,833	1,667	13.3	9.30
	< 30,000	7,500	45,000	100.00	2.00	2.00	1.00	95.00	11,368	-	0.0	0.00
Coke Import	> 30,000	10,000	66,000	110.00	2.00	2.00	2.00	104.00	15,231	-	0.0	0.00
	< 30,000	7,000	40,000	100.00	2.00	2.00	1.00	95.00	10,105	-	0.0	0.00
Break Bulk Cargo	Steel & Bagged Cargo	4,000	65,000	110.00	2.00	2.00	2.00	104.00	15,800	-	0.0	0.00
	Others	2,500	30,000	100.00	2.00	2.00	1.00	95.00	7,579	-	0.0	0.00

Page No.3A

## EQ-6 Mechanization Dwell Time Calculation Illustration for Bulk Cargo Import - "Y"

Parcel Size	Transportation Type	Number of Trucks / Trailers loaded during the Quarter	Volume of Cargo Received during the Quarter @ 30MT per Truck	Operating Barges in MT	Number of Vessels Handled during the Quarter	Cargo Received / Dispatched	Closing Balance of Cargo in MT	Average Disposal of Cargo per Day - (A)	Average Parcel Size (B)	Truck Storage Time @ 3.5/MT	Norm for Dwell Time in Days	Shortfall in Norm (T)	% Shortfall (Y)	Shortfall in Dwell Time Performance @ 0.2 (Y) Weightage
	a	b	c	d	e	f	$g = d - f - c$	$h = (d - f - c) / 30$	$i = g / b$	$j = h \times 0.5$	k	$l = j - k$	$m = (l / j) \times 100$	n
> 1,00,000	Truck / Trailer for Dry Bulk Cargo - Single Operation	1,000.0	30,000.0											
	Truck / Trailer for Dry Bulk Cargo - Double Operation	2,000.0	60,000.0											
	<b>TOTAL</b>		90,000.0		1.0	1,10,000.0	20,000.0	1,609.0	1,30,000.0	55.0	28.0	27.0	96.4	19.3
65,000 to 1,00,000	Truck / Trailer for Dry Bulk Cargo - Single Operation	2,000.0	60,000.0											
	Truck / Trailer for Dry Bulk Cargo - Double Operation	2,800.0	78,000.0											
	<b>TOTAL</b>		1,38,000.0	20,000.0	2.0	1,50,000.0	36,000.0	1,500.0	75,000.0	25.0	28.0	-	-	-
30,000 to 65,000	Truck / Trailer for Dry Bulk Cargo - Single Operation	2,000.0	60,000.0											
	Truck / Trailer for Dry Bulk Cargo - Double Operation	1,800.0	54,000.0											
	<b>TOTAL</b>		1,14,000.0	36,000.0	3.0	1,20,000.0	41,000.0	1,266.7	40,000.0	15.8	28.0	-	-	-
< 30,000	Truck / Trailer for Dry Bulk Cargo - Single Operation	1,500.0	45,000.0											
	Truck / Trailer for Dry Bulk Cargo - Double Operation	2,000.0	60,000.0											
	<b>TOTAL</b>		1,05,000.0	41,000.0	4.0	1,00,000.0	36,000.0	1,166.7	25,000.0	10.7	28.0	-	-	-

EQ-6 Mechanization														Page No.28
Dwell Time Calculation Illustration for Bulk Cargo Export - "Y"														
Parcel Size	Transportation Type	Number of Trucks / Racks loaded during the Quarter	Volume of Cargo (Estimated) during the Quarter @ 30MT per Truck	Opening Balance in MT	Number of vessels Handled during the Quarter	Cargo Received / Dispatched	Closing Balance of Cargo in MT	Average Disposal of Cargo per Day (A)	Average Parcel Size (B)	Thermal Storage Time=5(B/A)	Norm for Dwell Time in Days	Shortfall in Norm (Y)	% Shortfall (Y)	Shortfall in Dwell Time Performance @ 2.2 (Y) Weightage
	a	b	c	d	e	f	g= d+f-e	h= (d+f-g)/90	i=hB	j=i/B * 0.5	k	l=j-k	m = (l)/N	n
> 10,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	1,200.0	36,000.0											
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.0	60,000.0											
	TOTAL		96,000.0		1.0	1,05,000.0	9,000.0	1,008.7	1,05,000.0	49.2	28.0	21.2	75.8	15.2
10,000 to 1,00,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,800.0	75,000.0											
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.0	60,000.0											
	TOTAL		1,35,000.0	9,000.0	2.0	1,40,000.0	14,000.0	1,560.0	70,000.0	23.3	28.0	-	-	-
20,000 to 10,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,300.0	69,000.0											
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.0	60,000.0											
	TOTAL		1,29,000.0	14,000.0	3.0	1,28,000.0	5,000.0	1,433.3	40,000.0	14.0	28.0	-	-	-
< 20,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,000.0	60,000.0											
	Truck / Trailer for Dry Bulk Cargo-Double Operation	1,000.0	30,000.0											
	TOTAL		90,000.0	5,000.0	4.0	90,000.0	5,000.0	1,000.0	22,500.0	11.3	28.0	-	-	-

EQ-6 Mechanization														Page No.29
Dwell Time Calculation Illustration for Fertilizers Import - "Y"														
Parcel Size	Transportation Type	Number of Trucks / Racks loaded during the Quarter	Volume of Cargo (Estimated) during the Quarter @ 30MT per Truck	Opening Balance in MT	Number of vessels Handled during the Quarter	Cargo Received / Dispatched	Closing Balance of Cargo in MT	Average Disposal of Cargo per Day (A)	Average Parcel Size (B)	Thermal Storage Time=5(B/A)	Norm for Dwell Time in Days	Shortfall in Norm (Y)	% Shortfall (Y)	Shortfall in Dwell Time Performance @ 2.2 (Y) Weightage
	a	b	c	d	e	f	g= d+f-e	h= (d+f-g)/90	i=hB	j=i/B * 0.5	k	l=j-k	m = (l)/N	n
>10,000	Truck / Trailer for Fertilizers Cargo-Single Operation	2,000.0	60,000.0											
	Truck / Trailer for Fertilizers Cargo-Double Operation	-	-											
	TOTAL		60,000.0		2.0	65,000.0	5,000.0	555.7	52,500.0	24.4	28.0	-	-	-
<10,000	Truck / Trailer for Fertilizers Cargo-Single Operation	1,000.0	49,800.0											
	Truck / Trailer for Fertilizers Cargo-Double Operation	-	-											
	TOTAL		49,800.0	5,000.0	2.0	45,000.0	200.0	553.3	22,500.0	20.3	28.0	-	-	-

Dwell Time Calculation Illustration for Coke Import - "Y"														
Parcel Size	Transportation Type	Number of Trucks / Racks loaded during the Quarter	Volume of Cargo (Estimated) during the Quarter @ 30MT per Truck	Opening Balance in MT	Number of vessels Handled during the Quarter	Cargo Received / Dispatched	Closing Balance of Cargo in MT	Average Disposal of Cargo per Day (A)	Average Parcel Size (B)	Thermal Storage Time=5(B/A)	Norm for Dwell Time in Days	Shortfall in Norm (Y)	% Shortfall (Y)	Shortfall in Dwell Time Performance @ 2.2 (Y) Weightage
	a	b	c	d	e	f	g= d+f-e	h= (d+f-g)/90	i=hB	j=i/B * 0.5	k	l=j-k	m = (l)/N	n
>10,000	Truck / Trailer for Coke Import-Single Operation	2,100.0	63,000.0											
	Truck / Trailer for Coke Import-Double Operation	-	-											
	TOTAL		63,000.0		2.0	65,000.0	3,000.0	766.0	33,000.0	23.6	28.0	-	-	-
<10,000	Truck / Trailer for Coke Import-Single Operation	1,400.0	42,000.0											
	Truck / Trailer for Coke Import-Double Operation	-	-											
	TOTAL		42,000.0	3,000.0	2.0	42,000.0	1,000.0	466.7	20,000.0	21.4	28.0	-	-	-

## EQ-6 Mechanization

## Dwell Time Calculation Illustration for Break Bulk Cargo - "Y"

Parcel Size	Transportation Type	Number of Trucks / Rakes loaded during the Quarter	Volume of Cargo Discharged during the Quarter @ 30MT per Truck	Operating Distance in MT	Number of vessels Handled during the Quarter	Cargo Received / Dispatched	Closing Balance of Cargo in MT	Average Disposal of Cargo per Day - (d)	Average Parcel Size (Q)	Transit Storage Time @ 30MA	Norm for Dwell Time in Days	Shortfall in Norm (Y)	% Shortfall (Y)	Shortfall in Dwell Time Performance @ 0.2 (Y) Weightage
		a	b	c	e	f	g= d+e-c	h= (d+g)/30	i=h/a	j=h* 0.5	k	l = j-k	m = (l/k)/5	n
Steel & Bagged Cargo	Truck / Trailer for Break Bulk Cargo-Single Operation	2,000.0	60,000.0											
	Truck / Trailer for Break Bulk Cargo-Double Operation	-	-											
	<b>TOTAL</b>		60,000.0		2.0	60,000.0	5,000.0	686.7	32,500.0	24.4	28.0	-	-	-
Office	Truck / Trailer for Break Bulk Cargo-Single Operation	1,000.0	30,000.0											
	Truck / Trailer for Break Bulk Cargo-Double Operation	-	-											
	<b>TOTAL</b>		30,000.0	5,000.0	2.0	30,000.0	5,000.0	333.3	15,000.0	22.5	28.0	-	-	-

## EQ-6 Mechanization

## TRT Calculation Illustration for Bulk Cargo Import - "Z"

Parcel Size	Transportation Type	Number of Trucks / Rakes loaded during the Quarter	Total Duration in Hours	Average Duration per Truck / Rake	Norm in Hours	Difference over Norm	% Shortfall- (Z)	Shortfall in OSDD Performance @ 0.1 (Z) Weightage
		a	b	c= b/a	d	e = c-d	f = e/d%	g = 0.1 * f
>1,00,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	1,000.00	4,200.00	4.20	4.00	0.20	5.00	0.50
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.00	10,000.00	5.00	8.00	-	-	-
	<b>TOTAL</b>							0.50
65,000 to 1,00,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,000.00	3,000.00	1.50	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,500.00	12,000.00	4.80	8.00	-	-	-
	<b>TOTAL</b>							-
30,000 to 65,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,000.00	4,500.00	2.25	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	1,800.00	9,000.00	5.00	8.00	-	-	-
	<b>TOTAL</b>							-
< 30,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	1,500.00	6,000.00	3.33	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.00	14,000.00	7.00	8.00	-	-	-
	<b>TOTAL</b>							-



## EQ-6 Mechanization

## TRT Calculation Illustration for Bulk Cargo Export - "Z"

Parcel Size	Transportation Type	Number of Trucks / Rakes loaded during the Quarter	Total Duration in Hours	Average Duration per Truck / Rake	Norm in Hours	Difference over Norm	% Shortfall-(Z)	Shortfall in OSBD Performance @ 0.1 (Z) Weightage
		a	b	c = b/a	d	e = c-d	f = e/d%	g = 0.1 * f
>1,00,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	1,200.00	4,200.00	3.50	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.00	12,000.00	6.00	8.00	-	-	-
	<b>TOTAL</b>							-
65,000 to 1,00,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,500.00	3,000.00	1.20	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.00	15,000.00	7.50	8.00	-	-	-
	<b>TOTAL</b>							-
30,000 to 65,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,300.00	4,500.00	1.96	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	2,000.00	14,000.00	7.00	8.00	-	-	-
	<b>TOTAL</b>							-
< 30,000	Truck / Trailer for Dry Bulk Cargo-Single Operation	2,000.00	5,000.00	2.50	4.00	-	-	-
	Truck / Trailer for Dry Bulk Cargo-Double Operation	1,000.00	8,500.00	8.50	8.00	0.50	6.25	0.63
	<b>TOTAL</b>							0.63

## EQ-6 Mechanization

## TRT Calculation Illustration for Fertilizers import - "Z"

Parcel Size	Transportation Type	Number of Trucks / Rakes loaded during the Quarter	Total Duration in Hours	Average Duration per Truck / Rake	Norm in Hours	Difference over Norm	% Shortfall-(Z)	Shortfall in OSBD Performance @ 0.1 (Z) Weightage
		a	b	c = b/a	d	e = c-d	f = e/d%	g = 0.1 * f
>30,000	Truck / Trailer for Fertilizer Cargo-Single Operation	2,000.00	9,000.00	4.50	4.00	0.50	12.50	1.25
	Truck / Trailer for Fertilizer Cargo-Double Operation	-	-	-	8.00	-	-	-
	<b>TOTAL</b>							1.25
<30,000	Truck / Trailer for Fertilizer Cargo-Single Operation	1,660.00	7,000.00	4.22	4.00	0.22	5.42	0.54
	Truck / Trailer for Fertilizer Cargo-Double Operation	-	-	-	8.00	-	-	-
	<b>TOTAL</b>							0.54

## TRT Calculation Illustration for Coke import - "Z"

Parcel Size	Transportation Type	Number of Trucks / Rakes loaded during the Quarter	Total Duration in Hours	Average Duration per Truck / Rake	Norm in Hours	Difference over Norm	% Shortfall-(Z)	Shortfall in OSBD Performance @ 0.1 (Z) Weightage
		a	b	c = b/a	d	e = c-d	f = e/d%	g = 0.1 * f
>30,000	Truck / Trailer for Coke Import-Single Operation	2,100.00	9,000.00	4.29	4.00	0.29	7.14	0.71
	Truck / Trailer for Coke Import-Double Operation	-	-	-	8.00	-	-	-
	<b>TOTAL</b>							0.71
<30,000	Truck / Trailer for Coke Import-Single Operation	1,400.00	5,000.00	3.57	4.00	-	-	-
	Truck / Trailer for Coke Import-Double Operation	-	-	-	8.00	-	-	-
	<b>TOTAL</b>							-

## EQ-6 Mechanization

## TRT Calculation Illustration for Break Bulk Cargo - "2"

Parcel Size	Transportation Type	Number of Trucks / Rakes loaded during the Quarter	Total Duration in Hours	Average Duration per Truck / Rate	Norm in Hours	Difference over Norm	% Shortfall (Z)	Shortfall in OSBD Performance @ 0.1 (Z) Weightage
		a	b	c = b/a	d	e = c-d	f = e/d%	g = 0.1 * f
Steel & Bagged Cargo	Truck / Trailer for Break Bulk Cargo- Single Operation	2,000.00	8,000.00	4.00	4.00	-	-	-
	Truck / Trailer for Break Bulk Cargo- Double Operation	-	-	-	8.00	-	-	-
	<b>TOTAL</b>							-
Others	Truck / Trailer for Break Bulk Cargo- Single Operation	1,000.00	5,000.00	5.00	4.00	1.00	25.00	2.50
	Truck / Trailer for Break Bulk Cargo- Double Operation	-	-	-	8.00	-	-	-
	<b>TOTAL</b>							2.50

## EQ-6 Mechanization

Type of Cargo	Vessel Parcel Size	Gross Revenue for the Quarter in Rs
	a	b
Bulk Cargo Import	> 1,00,000	50,00,000
	65,000 to 1,00,000	15,00,000
	30,000 to 65,000	2,50,00,000
	< 30,000	4,20,00,000
Bulk Cargo Export	> 1,00,000	50,00,000
	65,000 to 1,00,000	15,00,000
	30,000 to 65,000	2,50,00,000
	< 30,000	4,20,00,000
Fertilizer Import	> 30,000	3,50,00,000
	< 30,000	4,20,00,000
Coke Import	> 30,000	2,40,00,000
	< 30,000	3,50,00,000
Break Bulk Cargo	Steel & Bagged Cargo	2,50,00,000
	Others	2,00,00,000

## EQ-6 Mechanization

## LIQUIDATED DAMAGE Amount Calculation Illustration

Quarter Period for Review	Type of Cargo	Vessel Parcel Size	Shortfall in OSBO Performance @ 0.7 (X) Weightage	Shortfall in Dwell Time Performance @ 0.2 (Y) Weightage	Shortfall in OSBO Performance @ 0.1 (Z) Weightage	(0.7X+0.2Y+0.1Z)	10% of Shortfall in Performance @ (0.7X+0.2Y+0.1Z)	10% of Shortfall in Performance rounded off to the next highest number	Gross Revenue in Rs.	LD Amount in Rs.
	A	B	C	D	E	F = C+D+E	G=(F*10%)	H	I	J=(H%*I)
	Bulk Cargo Import	> 1,00,000	-	19.29	0.50	19.79	1.98	2.00	80,00,000.00	1,60,000.00
		65,000 to 1,00,000	0.42	-	-	0.42	0.04	1.00	15,00,000.00	15,000.00
		30,000 to 65,000	-	-	-	-	-	-	2,60,00,000.00	-
	Bulk Cargo Export	> 30,000	-	-	-	-	-	-	4,20,00,000.00	-
		> 1,00,000	-	15.16	-	15.16	1.52	2.00	80,00,000.00	1,60,000.00
		65,000 to 1,00,000	13.40	-	-	13.40	1.35	2.00	15,00,000.00	30,000.00
		30,000 to 65,000	-	-	-	-	-	-	2,60,00,000.00	-
	Fertilizer Import	> 30,000	-	-	0.63	0.63	0.06	1.00	4,20,00,000.00	4,20,000.00
		> 30,000	6.33	-	1.25	7.58	0.76	2.00	3,00,00,000.00	7,00,000.00
		> 30,000	-	0.00	0.54	0.54	0.05	1.00	4,20,00,000.00	4,20,000.00
	Coke Import	> 30,000	-	0.00	0.71	0.71	0.07	1.00	2,40,00,000.00	2,40,000.00
		> 30,000	-	0.00	-	-	-	-	3,60,00,000.00	-
Break Bulk Cargo	Steel & Bagged Cargo	-	-	0.00	-	-	-	-	2,60,00,000.00	-
	Others	-	-	0.00	2.50	2.50	0.25	1.00	2,00,00,000.00	2,00,000.00
TOTAL									32,80,00,000.00	20,25,000.00

**APPENDIX 15**  
**ESCROW AGREEMENT**

**THIS ESCROW AGREEMENT is entered into on this the \_\_ day of \_\_\_\_\_ 20\_\_**

**AMONGST**

1. [● LIMITED], a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at [●] (hereinafter referred to as the “Concessionaire” which expression shall, unless repugnant to the context or meaning thereof, include its successors, permitted assigns and substitutes);
2. [● (name and particulars of Senior Lenders' Representative)] and having its registered office at [●] acting for and on behalf of the Senior Lenders as their duly authorised agent with regard to matters arising out of or in relation to this Agreement (hereinafter referred to as the “Senior Lenders' Representative” which expression shall, unless repugnant to the context or meaning thereof, include its successors and substitutes);
3. [● (name and particulars of the Escrow Bank)] and having its registered office at [●] (hereinafter referred to as the “Escrow Bank” which expression shall, unless repugnant to the context or meaning thereof, include its successors and substitutes); and
4. **BOARD OF TRUSTEES for PORT**, a body corporate constituted under the provisions of the Major Port Authorities Act, 2021 and having its Administrative Office at \_\_\_\_\_, hereinafter referred to as “**the Concessioning Authority**” (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

**WHEREAS:**

- A. **The Concessioning Authority has entered into a Concession Agreement dated [●] with the Concessionaire (the “Concession Agreement”) for undertaking the Project (as defined in the Concession Agreement) on build, operate and transfer (BOT) basis. The Senior Lenders have agreed to finance the Project in accordance with the terms and conditions set forth in the Financing Documents.**
- B. The Concession Agreement requires the Concessionaire to establish an Escrow Account,

*inter alia*, on the terms and conditions stated therein.

NOW IT IS HEREBY AGREED as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

**“Agreement”** means this Escrow Agreement and any amendment thereto made in accordance with the provisions contained herein;

**“Budget”** means the budget for construction/implementation expenses relating to the Project/Project Facilities and Services and O&M Expenses submitted by the Concessionaire in accordance with the provisions contained herein;

**“Concession Agreement”** means the Concession Agreement referred to in Recital (A) above and shall include any amendments made thereto in accordance with the provisions contained in this behalf therein;

**“Escrow Account”** means an escrow account established in terms of and under this Agreement, and shall include any sub accounts thereof;

**“Escrow Default”** shall have the meaning ascribed thereto in Clause 6.1;

**“Senior Lenders' Representative”** means the person referred to as the Senior Lenders' Representative in the foregoing Recitals;

**“Parties”** means the parties to this Agreement collectively and **“Party”** shall mean any of the Parties to this Agreement individually;

**“Payment Date”** means, in relation to any payment specified in Clause 4.1, the date(s) specified for such payment; and

**“Quarter”** means, any three-month period from 1<sup>st</sup> April to 30<sup>th</sup> June, 1<sup>st</sup> July to 30<sup>th</sup> September, 1<sup>st</sup> October to 31<sup>st</sup> December or 1<sup>st</sup> January to 31<sup>st</sup> March.

### **1.2 Interpretation**

1.2.1 References to Senior Lenders' Representative shall, unless repugnant to the context or



meaning thereof, mean references to the Senior Lenders' Representative, acting for and on behalf of Senior Lenders.

1.2.2 The words and expressions beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein, and the words and expressions used in this Agreement and not defined herein but defined in the Concession Agreement shall, unless repugnant to the context, have the meaning ascribed thereto in the Concession Agreement.

1.2.3 References to Articles are, unless stated otherwise, references to Articles of this Agreement.

1.2.4 The rules of interpretation stated in Articles 1.3, 1.4 and 1.5 of the Concession Agreement shall apply, *mutatis mutandis*, to this Agreement.

## **2. ESCROW ACCOUNT**

### **2.1 Escrow Bank to act as Trustee**

2.1.1 The Concessionaire hereby settles in trust with the Escrow Bank a sum of Rs. 100 (Rupees Hundred Only) appoints the Escrow Bank to act as trustee for the Concessioneing Authority, the Senior Lenders, the Senior Lenders' Representative and the Concessionaire in connection herewith and authorises the Escrow Bank to exercise such rights, powers, authorities and discretion as are specifically delegated to the Escrow Bank by the terms hereof together with all such rights, powers, authorities and discretion as are reasonably incidental hereto, and the Escrow Bank accepts such appointment pursuant to the terms hereof.

2.1.2 The Concessionaire hereby declares that all rights, title and interest in and to the Escrow Account shall be vested in the Escrow Bank and held in trust for the Concessioneing Authority, the Senior Lenders, the Senior Lenders' Representative and the Concessionaire, and applied in accordance with the terms of this Agreement. No person other than the Concessioneing Authority, the Senior Lenders/Senior Lenders' Representative and the Concessionaire shall have any rights hereunder as the beneficiaries of, or as third-party beneficiaries under this Agreement.

### **2.2 Acceptance of Escrow Bank**

The Escrow Bank hereby agrees to act as such and to accept all payments and other amounts to be delivered to and held by the Escrow Bank pursuant to the provisions of this Agreement. The Escrow Bank shall hold and safeguard the Escrow Account during the term of this Agreement and

shall treat the amount in the Escrow Account as monies deposited by the Concessionaire, Senior Lenders or the Concessioneing Authority with the Escrow Bank. In performing its functions and duties under this Agreement, the Escrow Bank shall act in trust for the benefit of, and as agent for, the Concessioneing Authority, the Senior Lenders' Representative and the Concessionaire or their nominees, successors or assigns, in accordance with the provisions of this Agreement.

## **2.3 Establishment and operation of Escrow Account**

2.3.1 Within 30 (thirty) Days from the date of this Agreement, and in any case prior to the Date of Award of Concession, the Concessionaire shall open and establish the Escrow Account with the [(name of Branch)] Branch of the Escrow Bank. The Escrow Account shall be denominated in Rupees.

2.3.2 The Escrow Bank shall maintain the Escrow Account in accordance with the terms of this Agreement and its usual practices and applicable regulations and pay the maximum rate of interest payable to similar customers on the balance in the said account from time to time.

2.3.3 The Concessionaire shall submit to the Escrow Bank a Budget within 7 (seven) Days of the commencement of each Financial Year. Till the pendency of the financing Documents, such Budget shall be approved by the Senior Lenders/Senior Lenders Representative and thereafter by the Concessioneing Authority.

2.3.4 The Escrow Bank and the Concessionaire shall, after consultation with the Senior Lenders' Representative, agree on the detailed mandates, terms and conditions, and operating procedures for the Escrow Account, but in the event of any conflict or inconsistency between this Agreement and such mandates, terms and conditions, or procedures, this Agreement shall prevail.

## **2.4 Escrow Bank's fee**

The Escrow Bank shall be entitled to receive its fee and expenses in an amount, and at such times, as may be agreed between the Escrow Bank and the Concessionaire. For the avoidance of doubt, such fee and expenses shall form part of the operating and maintaining expenses and shall be appropriated from the Escrow Account in accordance with Article 4.1.1 (c).

## **2.5 Rights of the parties**

The rights of the Concessioneing Authority, the Senior Lenders (through the Senior Lenders' Representative) and the Concessionaire in the monies held in the Escrow Account are set forth in their entirety in this Agreement and the Concessioneing Authority, the Senior Lenders' and the Concessionaire shall have no other rights against or to the monies in the Escrow Account.

## **2.6 Substitution of the Concessionaire**

The Parties hereto acknowledge and agree that upon substitution of the Concessionaire with the Selectee, pursuant to the Substitution Agreement, it shall be deemed for the purposes of this Agreement that the Selectee is a Party hereto and the Selectee shall accordingly be deemed to have succeeded to the rights and obligations of the Concessionaire under this Agreement on and with effect from the date of substitution of the Concessionaire with the Selectee.

### **3. DEPOSITS INTO ESCROW ACCOUNT**

#### **3.1 Deposits by the Concessionaire**

The Concessionaire agrees and undertakes that it shall deposit into and/or credit the Escrow Account with:

- a) all monies received in relation to the Project from Banks, other lenders, shareholders and insurance companies;
- b) all Tariff and any other revenues from or in respect of the Project, including the proceeds of any rentals, deposits, capital receipts or insurance claims;
- c) all Tariff collected by the Concessioneing Authority in exercise of its rights under the Concession Agreement; and
- d) all payments by the Concessioneing Authority, after deduction of any outstanding License Fee and Royalty; and
- e) termination Payment

For avoidance of doubt, all amounts received by the Concessionaire in respect of the Project/Project Facilities and Services excepting any amounts in respect of cesses and duties collected by it from the users on behalf of the Concessioneing Authority or such other authority in accordance with the Concession Agreement or pursuant to any other instructions in respect thereof shall be deposited in the Escrow Account.

### **4. WITHDRAWALS FROM ESCROW ACCOUNT**

#### **4.1.1 Withdrawals during Concession Period**

At the beginning of every month, or at such shorter intervals as the Lenders' Representative and the Concessionaire may by written instructions determine, the Escrow Bank shall withdraw amounts from the Escrow Account and appropriate them in the following order by depositing such amounts in the relevant Sub-Accounts for making due payments, and if such payments are not due in any month, then retain such monies in such Sub-Accounts and pay out therefrom on the Payment Date(s):

- a) all taxes due and payable by the Concessionaire for and in respect of the Project;
- b) all construction/implementation expenses relating to the Project/Project Facilities and Services, subject to limits if any set out under the Financing Documents;
- c) all expenses related to operations and maintenance of the Project including License Fee, subject to the ceiling, if any, set forth in the Financing Documents;
- d) towards payment of Royalty to the Authority;
- e) towards its debt service obligations under the Financing Documents;

- f) towards payment of other sums payable to the Concessioneing Authority and liquidated damages, if any;
- g) towards any reserve requirements in accordance with the Financing Documents;
- h) balance, if any, in accordance with the instructions of the Concessionaire

#### **4.1.2 Withdrawals upon Termination**

Notwithstanding anything to the contrary contained in this Agreement, all amounts standing to the credit of the Escrow Account shall, upon termination, be appropriated in the following order:

- a) all taxes due and payable by the Concessionaire for and in respect of the Project;
- b) 90% of Debt Due excluding subordinated debt;
- c) all payments of outstanding Licence Fee, Royalties and damages certified by the Concessioneing Authority as due and payable to it by the Concessionaire;
- d) outstanding debt service including the balance of Debt Due excluding subordinated debt;
- e) outstanding subordinated debt
- f) incurred or accrued operation & maintenance expenses;
- g) any other payments required to be made under this Agreement; and
- h) balance, if any, in accordance with the instructions of the Concessionaire; Provided that no appropriations shall be made under Sub-clause (h) of this Clause 4.1.3 until a Vesting Certificate has been issued by the Concessioneing Authority as per provision of Concession Agreement

The provisions of this Clause 4.1 and the instructions contained in the Escrow Agreement shall remain in full force and effect until the obligations set forth in Clause 4.1.2 have been discharged.

#### **4.1.3 Withdrawals upon end of Concession Period**

All amounts standing to the credit of the Escrow Account at the end of the Concession Period including amounts credited to the Escrow Account towards compensation payable in accordance with Article 17 of the Concession Agreement shall be appropriated in the following order of priority:

- a) towards taxes and statutory dues payable by the Concessionaire;
- b) compensation to Senior Lenders in terms of the Financing Documents towards discharge of

the Concessionaire's liability under such Financing Documents;

- c) all amounts due to the Concessioneing Authority and amounts payable towards transfer of the Project Facilities and Services by the Concessionaire in accordance with this Agreement; and the Concessionaire shall be at liberty to withdraw any sums outstanding in the Escrow Account after:
  - i) all the aforesaid payments due have been made and/or adequate reserves have been created in respect thereof to the satisfaction of the Senior Lenders and the Concessioneing Authority;
  - ii) the Escrow Agent has received a confirmation of final settlement by the Senior Lenders and/or Concessioneing Authority; and
  - iii) Vesting Certificate has been issued by the Concessioneing Authority under the provisions of Clause 18.5.

#### **4.2 Application of insurance proceeds**

Notwithstanding anything in this Agreement, the proceeds from all insurance claims, except life and injury, shall be deposited into and/or credited to the Escrow Account and utilised for any necessary repair, reconstruction, reinstatement, replacement, improvement, delivery or installation of the Project/Project facilities and Services, and the balance remaining, if any, shall be applied in accordance with the provisions contained in this behalf in the Financing Documents.

#### **4.3 Withdrawals during Suspension**

Notwithstanding anything to the contrary contained in this Agreement, in case the Escrow

Bank receives a notice in writing from the Concession Authority that the rights of the Concessionaire are suspended in accordance with the Concession Agreement or a Termination Notice is issued, the Escrow Bank shall until such notice is withdrawn, act only on the instructions of the Concessioneing Authority.

### **5. OBLIGATIONS OF THE ESCROW BANK**

#### **5.1 Segregation of funds**

Monies and other property received by the Escrow Bank under this Agreement shall, until used or applied in accordance with this Agreement, be held by the Escrow Bank in trust for the purposes for which they were received, and shall be segregated from other funds and property of the Escrow Bank.

#### **5.2 Notification of balances**

7 (seven) business Days prior to each Payment Date (and for this purpose the Escrow Bank shall be entitled to rely on an affirmation by the Concessionaire and/or the Senior Lenders'

Representative as to the relevant Payment Dates), the Escrow Bank shall notify the Senior Lenders' Representative of the balances in the Escrow Account as at the close of business on the immediately preceding business day.

### **5.3 Communications and notices**

In discharge of its duties and obligations hereunder, the Escrow Bank:

- a) may, in the absence of bad faith or gross negligence on its part, rely as to any matters of fact which might reasonably be expected to be within the knowledge of the Concessionaire upon a certificate signed by or on behalf of the Concessionaire;
- b) may, in the absence of bad faith or gross negligence on its part, rely upon the authenticity of any communication or document believed by it to be authentic;
- c) shall, within 5 (five) business Days after receipt, deliver a copy to the Senior Lenders' Representative of any notice or document received by it in its capacity as the Escrow Bank from the Concessionaire or any other person hereunder or in connection herewith; and
- d) shall, within 5 (five) business Days after receipt, deliver a copy to the Concessionaire of any notice or document received by it from the Senior Lenders' Representative in connection herewith.

### **5.4 No set off**

The Escrow Bank agrees not to claim or exercise any right of set off, banker's lien or other right or remedy with respect to amounts standing to the credit of the Escrow Account. For the avoidance of doubt, it is hereby acknowledged and agreed by the Escrow Bank that the monies and properties held by the Escrow Bank in the Escrow Account shall not be considered as part of the assets of the Escrow Bank and being trust property, shall in the case of bankruptcy or liquidation of the Escrow Bank, be wholly excluded from the assets of the Escrow Bank in such bankruptcy or liquidation.

### **5.5 Regulatory approvals**

The Escrow Bank shall use its best efforts to procure, and thereafter maintain and comply with, all regulatory approvals required for it to establish and operate the Escrow Account. The Escrow Bank represents and warrants that it is not aware of any reason why such regulatory approvals will not ordinarily be granted to the Escrow Bank.

## **6. ESCROW DEFAULT**

### **6.1 Escrow Default**

6.1.1 Following events shall constitute an event of default by the Concessionaire (an “**Escrow Default**”) unless such event of default has occurred as a result of Force Majeure or any act or omission of the Concessioning Authority or the Senior Lenders' Representative:

- a) the Concessionaire commits breach of this Agreement by failing to deposit /cause the deposit of any receipts into the Escrow Account;

- b) the Concessionaire causes the Escrow Bank to transfer funds to any account of the
- c) Concessionaire in breach of the terms of this Agreement; or the Concessionaire commits or causes any other breach of the provisions of this Agreement.

6.1.2 Upon occurrence of an Escrow Default, the consequences thereof shall be dealt with under and in accordance with the provisions of the Concession Agreement.

## **7. TERMINATION OF ESCROW AGREEMENT**

### **7.1 Duration of the Escrow Agreement**

This Agreement shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the Concessionaire in respect of the debt, guarantee or financial assistance received by it from the Senior Lenders, or any of its obligations to the Concessioneing Authority remain to be discharged, unless terminated earlier by consent of all the Parties or otherwise in accordance with the provisions of this Agreement.

### **7.2 Substitution of Escrow Bank**

The Concessionaire may, by not less than 45 (forty five) Days prior notice to the Escrow Bank, the Concessioneing Authority and the Senior Lenders' Representative, terminate this Agreement and appoint a new Escrow Bank, provided that the new Escrow Bank is acceptable to the Senior Lenders' Representative and arrangements are made satisfactory to the Senior Lenders' Representative for transfer of amounts deposited in the Escrow Account to a new Escrow Account established with the successor Escrow Bank. The termination of this Agreement shall take effect only upon coming into force of an Escrow Agreement with the substitute Escrow Bank.

### **7.3 Closure of Escrow Account**

The Escrow Bank shall, at the request of the Concessionaire and the Senior Lenders' Representative made on or after the payment by the Concessionaire of all outstanding amounts under the Concession Agreement and the Financing Documents including the payments specified in Article 4.2, and upon confirmation' of receipt of such payments, close the Escrow Account and pay any amount standing to the credit thereof to the Concessionaire. Upon closure of the Escrow Account hereunder, the Escrow Agreement shall be deemed to be terminated.

## **8. SUPPLEMENTARY ESCROW AGREEMENT**

### **8.1 Supplementary escrow agreement**

The Senior Lenders' Representative and the Concessionaire shall be entitled to enter into a supplementary escrow agreement with the Escrow Bank providing, inter alia, for detailed procedures and documentation for withdrawals from Escrow Account, creation of sub-accounts pursuant to Clause 4.1.1 and for matters not covered under this Agreement such as the rights and obligations of Senior Lenders, investment of surplus funds, restrictions on withdrawals by the Concessionaire in the event of breach of Financing Documents, procedures relating to operation

of the Escrow Account and withdrawal therefrom, reporting requirements and any matters incidental thereto; provided that such supplementary escrow agreement shall not contain any provision which is inconsistent with this Agreement and in the event of any conflict or inconsistency between provisions of this Agreement and such supplementary escrow agreement, the provisions of this Agreement shall prevail.

## **9. INDEMNITY**

### **9.1 General indemnity**

9.1.1 The Concessionaire will indemnify, defend and hold the Concessioneing Authority, Escrow Bank and the Senior Lenders, acting through the Senior Lenders' Representative, harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of any breach by the Concessionaire of any of its obligations under this Agreement or on account of failure of the Concessionaire to comply with Applicable Laws and Applicable Permits.

9.1.2 The Concessioneing Authority will indemnify, defend and hold the, Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Concessioneing Authority to fulfill any of its obligations under this Agreement materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement or this Agreement other than any loss, damage, cost and expense arising out of acts done in discharge of their lawful functions by the Concessioneing Authority, its officers, servants and agents.

9.1.3 The Escrow Bank will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Escrow Bank to fulfill its obligations under this Agreement materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Escrow Bank, its officers, servants and agents.

### **9.2 Notice and contest of claims**

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 9.1 or in respect of which it is entitled to reimbursement (the **“Indemnified Party”**), it shall notify the other Party responsible for indemnifying such claim hereunder (the **“Indemnifying Party”**) within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.



## **10. MISCELLANEOUS PROVISIONS**

### **10.1 Governing law and jurisdiction**

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the Courts at [●] shall have jurisdiction over all matters arising out of or relating to this Agreement.

### **10.2 Waiver of sovereign immunity**

The Concessioneing Authority unconditionally and irrevocably:

- a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Concessioneing Authority with respect to its assets;
- c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

### **10.3 Priority of agreements**

In the event of any conflict between the Concession Agreement and this Agreement, the provisions contained in the Concession Agreement shall prevail over this Agreement.

### **10.4 Alteration of terms**

All additions, amendments, modifications and variations to this Agreement shall be effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

### **10.5 Waiver**

10.5.1 Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Agreement:

- a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- b) shall not affect the validity or enforceability of this Agreement in any manner.

10.5.2 Neither the failure by any Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by any Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

### **10.6 No third-party beneficiaries**

This Agreement is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.

### **10.7 Survival**

#### **10.7.1 Termination of this Agreement:**

- a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

**10.7.2** All obligations surviving the cancellation, expiration or termination of this Agreement shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Agreement.

### **10.8 Severability**

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 10.1 of this Agreement or otherwise.

### **10.9 Successors and assigns**

This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

### **10.10 Notices**

Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term or related or breach of any term of this Agreement shall be in writing and shall be given by hand delivery, recognized international courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:

The **Concessioneing Authority:**

CHAIRPERSON

VISAKHAPATNAM PORT

\_\_\_\_\_

\_\_\_\_\_

Fax No:

\_\_\_\_\_

Email:

\_\_\_\_\_

The **Concessionaire:**

The MANAGING DIRECTOR

\_\_\_\_\_Ltd

\_\_\_\_\_

\_\_\_\_\_

Fax No. \_\_\_\_\_ Email: \_\_\_\_

The **Senior Lenders/Senior Lenders representative:**

\_\_\_\_\_Ltd

\_\_\_\_\_

\_\_\_\_\_

Fax No. \_\_\_\_\_ Email: \_\_\_\_

The **Escrow Bank:**

\_\_\_\_\_Ltd

\_\_\_\_\_

\_\_\_\_\_

Fax No. \_\_\_\_\_ Email: \_\_\_\_

or such other address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized international courier

or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.

#### **10.11 Language**

All notices, certificates, correspondence and proceedings under or in connection with this Agreement shall be in English.

#### **10.12 Authorised representatives**

Each of the Parties shall, by notice in writing, designate their respective authorised representatives through whom only all communications shall be made. A Party hereto shall be entitled to remove and/or substitute or make fresh appointment of such authorised representative by similar notice.

#### **10.13 Original Document**

This Agreement may be executed in four counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

**IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.**

SIGNED, SEALED AND DELIVERED

For and on behalf of **CONCESSIONAIRE** by:

(Signature)

(Name)

(Designation)

(Address)

(Fax No.)

SIGNED, SEALED AND DELIVERED

For and on behalf of **SENIOR LENDERS** by the Senior Lenders' Representative:

(Signature)

(Name)

(Designation)

(Address)

(Fax No.)

SIGNED, SEALED AND DELIVERED

For and on behalf of **ESCROW BANK** by:

(Signature)

(Name)

(Designation)

(Address)

(Fax No.)

SIGNED, SEALED AND DELIVERED

For and on behalf of **Concessioning Authority** by:

(Signature)

(Name)

(Designation)

(Address)

(Fax No.)

In the presence of:

1.

2.

**APPENDIX 16**  
**[BASE CASE FINANCIAL MODEL (BCFM)]**

[Note: The model BCFM would be developed with the appropriate inputs from the financial and technical consultants. However, such Financial Model would need to be customized based on each project and its requirements]. Such Financial Model would essentially include;

- i. estimated project cost,
- ii. License Fee and Royalty payable to the Concessioneing Authority,
- iii. annual estimated Project revenue,
- iv. equity contribution,
- v. cargo handling projections estimated by Concessionaire,
- vi. discounted net present value of the cash flows,
- vii. equity IRR,
- viii. debt equity ratio, and
- ix. debt service ratio.

Such Financing Model would be submitted by the Concessionaire and got approved by the Concessioneing Authority at the time of Financial Close.

Note: Such format of the Financial Model shall also identify the respective threshold limit of the above parameters and the basis of further projections and the detailed requirements that would need to be stratified with respect to each line item.

**APPENDIX 17**  
**MONITORING ARRANGEMENT**

(Visakhapatnam Port Authority)

**Construction Stage Monitoring Report of (Name of the Project) for the month  
ended.....**

**Compliance of Obligations of the Concessioneing Authority**

<b>Sr. No.</b>	<b>Obligations of the Port (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
1 (a)	Meeting the Conditions Precedent (Clause 3.1) Procurement of clearance including from Ministry of Environment & Forests Handing over physical possession of Project Site/ Port Assets for the project (Stage wise, if so envisaged)		
1 (b)	Putting in place arrangement for provision of Supporting Project Infrastructure Informing the Concessionaire about the fulfillment of Conditions Precedent (Clause 3.1)		
2	In case conditions precedent are not complied within the specified time, details of extension of time availed (Clause 3.4)		
3	Recovery of liquidated damages for failure to fulfill Conditions Precedent (Clause 3.5)		
4	Appointment of Independent Engineer – 5.1		
5	Furnishing of comments/ observations on the Designs & Drawings to Independent Engineer – 6.2 (b)		
6	Grant applicable permits, approval and consents or render assistance as may be required by Concessionaire under concession agreement – 6.5 (a)		
7	Make available records of sub soil investigation, if requested – 6.5 (b)		
8	Assist the Concessionaire in obtaining immigration clearance, employment permits and residential premises for any foreign personnel engaged or employed by Concessionaire. – 6.5 (d)		

<b>Sr. No.</b>	<b>Obligations of the Port (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
9	Assist Concessionaire or contractor to import into India all items of equipment and material required for the project. – 6.5 e		
10	If required on advice of Independent Engineer, suspend the construction works (Clause 6.6(a))		
11	On advice of IE, revoke the suspension after the rectifications (Appendix 7)		
12	If required as advised by Independent Engineer, concession authority may extend the construction phase, if the delay is not attributable by		
13	To witness the tests along with Independent Engineer to ensure project meets with construction standards. – 6.7 (a)		
14	To verify the performance security is maintained as per clause 4.1, or otherwise termination of agreement for non- maintenance of performance security as per clause 15.1 (a)(xii)		
15	Recovery of liquidated damages if any from performance guarantee for failure to achieve milestones (Clause 6.9)		
16	In case of Change of Scope, whether procedures laid down in Article 6.8 is followed		
17	Ensuring issue of Completion Certificate by Independent Engineer (Clause 6.7)		
18	In case aggregate delay exceeds 180 days or LD exceeds 5% of project cost, terminate the agreement (Clause 6.9)		
19	Is any action required on monthly Inspection report from IE (Appendix 7)		
20	In case Concessionaire fails to complete the works on account of Force Majeure or due to reasons attributable to authority, reduce the scope of work (Clause 6.7(e))		
21	In event of non-compliance of conditions precedent within the time including the extended time if any termination of the agreement (Clause 3.6)		



<b>Sr. No.</b>	<b>Obligations of the Port (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
22	Ensuring Operation of Escrow account in an orderly manner (Clause 9.5)		
23	Issue of Notice for a Force Majeure Event (Clause 14.5)		
24	In case of Force Majeure Event, whether extension of time has been granted (Clause 14.9 (b))		
25	In the event of termination due to Force Majeure Event, whether Termination Payment has been paid as per clause 17.1(a)		
26	Issue of Notice on occurrence of an event of default (Clause 16.1)		
27	Informing Senior Lenders of Intent to Terminate (Clause 16.1)		
28	Termination Payment for termination due to Port Event of Default as per clause 17.1(c))		
29	Exercising Rights and meeting obligations upon termination (Clause 16 and 17)		
30	Assessment of change in law and treatment of costs out of change in law (Clause 13.2(b))		
31	Amicably resolving disputes (Clause 19.1 & 19.2)		
32	Declaration of Project Facilities & Services as ready for operation in accordance with Section 37 of MPA Act (Clause 6.5 (c))		
33	Execution of Substitution Agreement within 30 days of notice from the Concessionaire as per clause 12.3 (b) v		
34	Any other project specific provision, observation, complaint or suggestion		

**(Visakhapatnam Port Authority)**

**Construction Stage Monitoring Report of (Name of the Project) for the month  
ended.....**

**Compliance of Obligations of the Concessionaire**

<b>Sr. No.</b>	<b>Obligations of the Concessionaire (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
1	Providing and maintaining the Performance Guarantee (Clause 4.1)		
2 (a)	Compliance of Conditions Precedent (Clause 3.1(a)) Execution of Escrow Agreement and opening of Escrow Account Procuring all Applicable Permits as per Appendix 8 Submission of Financial Package, Financing Documents Financial Model and other Financial Close documents to Port Submission of Confirmation of Representation & Warranties by Consortium Members Submission of legal opinion with respect to the authority of Concessionaire Informing Concessioning Authority about fulfillment of Conditions Precedent (Clause 3.2)		
3	In case Conditions Precedents are not complied within the specified time, details of extension of time availed (Clause 3.5)		
4	Submission of Designs and Drawings to the Independent Engineer & Concessioning Authority (Clause 6.2 and Appendix 6)		
5	Arrangement of financial and other resources as per Financing Plan as evidenced by Escrow Account (Clause 6.4(a))		

<b>Sr. No.</b>	<b>Obligations of the Concessionaire (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
6	Carry out works in compliance with the Construction Standards (clause - 6.4 (b))		
7	Obtain Applicable Permits and comply with Applicable Laws. - 6.4 (d)		
8	Providing access to Port representatives for inspections for ascertaining compliance of requirements (Clause 6.4(e))		
9	Submission of Monthly Progress Reports to Independent Engineer (Clause 6.4(f))		
10	Removal of Defects/ deficiencies as observed by Independent Engineer (Clause 6.4(f))		
11	Ensure safe and timely construction and completion of the Project/ - 6.4 (h)		
12	At least 60 days prior to the likely completion of the Project, notify the Independent Engineer of the date when it intends to commence commercial operations - 6.7 (a)		
13	Providing assistance to Independent Engineer for conducting all requisite Tests on structures/ equipment etc., - 6.7 (a)		
14	To obtain Provisional Certificate of Completion as per clause 6.7(d)		
15	To complete all outstanding items listed in Punch List within 90 days or extended period by Concessioning Authority. – 6.7 (d)		
16	Deleted		
17	Pay License fee annually and Royalty monthly – 9.1 (a) and 9.2		
18	Pay liquidated damages to Concessioning Authority, if applicable. – 6.9		
19	Maintenance of Insurance as per clause 12.1(c)		

<b>Sr. No.</b>	<b>Obligations of the Concessionaire (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
20	In case of Execution of substitution agreement, whether notice has been issued by the Concessionaire to the port as per clause 12.3 (b) v		
21	Whether equity Holding requirements are met by lead member/ members of the applicant consortium as per clause 11.2		

**(VISAKHAPATNAM PORT TRUST)**

**Operation Stage Monitoring Report of (Name of the Project) for the month ended.....**

**Compliance of Obligations of the Concessionaire**

<b>Sr. No.</b>	<b>Obligations of the Concessionaire (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
1	Prompt commencement of operations after “Ready for Operation” declaration (Clause 7.1(a)(i)(a))		
2	Operation of Project Facilities as per “Project Requirement” (Clause 7.1(a) (i)(c))		
3	Achieving Performance Standards (Clause 7.1(a) (i) (d))		
4	Compliance of O&M and Safety Standards (Clause 7.1(a) (i)(e))		
5	Rapid & Effective response in the event of accident/ Emergency (Clause 7.1(a) (i)(f))		
6	Replacement and repair of project facilities in a timely manner (Clause 7.1(a) (i)(g))		
7	Manage & Operate Project Facilities on “First Come First Served “basis except for Priority & Preferential berthing as per GOI guidelines (Clause 7.1(a) (i)(h))		
8	Maintenance of Proper Records relating to Revenue and operation of Project Facilities (Clause 7.1(a) (i) and 9.4)		
9	Obtaining, Maintenance of Applicable Permits and Compliance of Applicable laws (Clause 7.1(a) (i) (j))		
10	Prevention of encroachment / unauthorized use of Project Facilities (Clause 7.1(a) (i)(l))		
11	Repair & Maintain all Project Facilities as per Agreement provisions & Good Industry Practice at all times during the Concession Agreement. 7.1(a)(ii)		
12	Repair, Replace or Restore the damaged Project Facilities at its own costs. 7.1(a)(iv)		
13	Obtaining prior written permission of Concessioning authority for removal of assets clause 7.1(a)(v)		

<b>Sr. No.</b>	<b>Obligations of the Concessionaire (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
14	Replacement of equipment/ assets as per Good Industry Practice (Clause 7.1(a) (iii))		
15	Compliance with Monthly Reporting Requirements (Clause 7.1(a) (viii))		
16	Cooperation to Independent Engineer-in access for inspection for safety audit once in a year (Clause 7.1(a) (vii))		
17	Cooperation to port representatives for inspection and review of operations also to compliance with requirements of Agreement (Clause 7.1(a)(vii))		
18	Installation & Operation of specified computer system and Network as specified by Concession Authority (Clause 7.1(a) (ix))		
19	Ensuring the prescribed Security Arrangements conforming to ISPS code (Clause 7.1(a) (x))		
20	Employment of personnel of foreign origin only after requisite approvals from Government of India (Clause 7.1(a) (xi))		
21	Employ qualified and skilled personnel.7.1(a)(xi)		
22	Meeting Minimum Guaranteed Cargo requirements (Clause 7.1(a) (xii))		
23	To recover tariff from users of the project facilities as per Tariff Order Notification and deposit all Tariff in Escrow Account (Clause 8.1)		
24	If requested by CA, collect the cess and charges from the users on behalf of Concessioning Authority 8.2		
25	Make timely payments to Concessioning Authority viz. Royalty & License fees (Clause 9.1(a) & 9.2 (b))		
26	To operate Escrow Account as per priority of payments as per clause 9.5(a)		
27	Meeting any claim/ action/ suit etc. alleging loss/ destruction of goods (Clause 7.1(a)(xiii))		
28	Inform Concessioning Authority if any Direct or indirect change of management of concessionaire as per clause 11.2		

<b>Sr. No.</b>	<b>Obligations of the Concessionaire (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken</b>
29	Payment of all taxes/ duties/ levies etc., to the Government Authorities (Clause 12.1(b))		
30	Purchasing and Maintaining of Insurance requirements in accordance with the Agreement and Good Industry Practice (Clause 12.1(c))		
31	Providing copies of insurance policies to the Port (Clause 12.1(c) (iii))		
32	Utilisation of money received under insurance policies as per terms of Agreement (Clause 12. 1(c) (iv))		
33	Deleted		
34	Ensuring conduct of Conditional Survey by Independent Engineer and compliance of remedies thereof before expiry of concession period. (Clause 12.1(g))		
35	Submit E-Bank Guarantee two years prior to expiry of concession period for repairs if any for condition survey [Clause 12.1 (g) ii]		
36	Issue of consultation notice and compliance of remedial process in case of Event of Default on the part of Port (Clause 15)		

**(VISAKHAPATNAM PORT TRUST)**

**Operation Stage Monitoring Report of (Name of the Project) for the month ended.....**

**Compliance of Obligations of the Concessioneing Authority**

<b>Sr. No.</b>	<b>Obligations of the Port (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken *</b>
1	To get from the Concessionaire copies of “as built” design and drawings maintenance schedule of equipment etc. as reviewed by Independent Engineer as per (Appendix 6) & clause 18.2 ©		
2	Release of Performance Security after 6 months from the COD (Clause 4.1)		
3	Scheduling entry, berthing and sailing of the vessels, pilotage and towage on a non-discriminatory basis subject to priority berthing norms. - Clause 7.1 (c) (i) (a)		
4	Maintenance of entrance channel draft Clause 7.1(c) (i)(b) Maintenance of required draft alongside berth (Clause 7.1(c) (i) (d))		
5	Provide waterside safety and safety of navigation; - Clause 7.1 (c) (i) (c)		
6	Provision and maintenance of all general port infrastructure other than covered under the concession – Clause 7.1 (c) (i) (f)		
7	Grant approvals/ consents sought by the Concessionaire as required under the agreement Clause 7.1 (c) (ii)		
8	Evolve mutually acceptable mechanism for sharing the common costs by existing and future terminal operators Clause 7.1 (c) (i) i		
9	Provide access to all applicable infrastructure facilities and utilities including water, electricity etc. Clause 7.2		



<b>Sr. No.</b>	<b>Obligations of the Port (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken *</b>
10	Review performance standards from the monthly report submitted by Concessionaire and take remedial action including recovery of liquidated damages as per Clause 7.3		
11	To operate escrow account as per priority of payments as per clause 9.5(a)		
12	Whether equity Holding requirements are met by lead member/ members of the applicant consortium as per clause 11.2		
13	Assistance to Concessionaire by giving recommendation letter for getting applicable permits Clause 12.2 (a)		
14	Pay levy (or) levies including increase in taxes, duties etc., on account of port assets payable to State Govt. Clause 12.2 (b)		
15	Shall not operationalise competing facility as per Clause 12.2 (c)		
16	Issue notice of Force Majeure In the event of occurrence of any Force Majeure event (Clause 14.5)		
17	Extension of time for performing obligations due to occurrence of Force majeure (Clause 14.9 (b))		
18	Compliance of provisions of Clause 14.10 in the event of force majeure continuing beyond 120 days		
19	Payment of Termination Payment in the event of termination due to force majeure event as per clause 17.1(a) Payment of Termination Payment in the event of termination due to Concessionaire event of default as per clause 17.1(b) Payment of Termination Payment in the event of termination due to Concessioning authority event of default as per clause 17.1(c)		
20	Authorize the Concessionaire to collect cesses and charges including infrastructure cess if required and remit the same to Concessioning authority if required (Clause 8.2 and 8.5)		

<b>Sr. No.</b>	<b>Obligations of the Port (Related MCA Clause)</b>	<b>Whether any action required (Yes/ No)</b>	<b>If yes, give details of action taken *</b>
21	Initiate action for amicably resolution of disputes (Clause 19.1 and 19.2)		
22	Any other observation, complaint or suggestion		
23	Payment of Compensation to Senior Lenders (Clause 17.4)		
24	Issue of Consultation Notice and Compliance of remedial process in case of Event of Default on the part of Concessionaire (Clause 15.3 & 15.4)		
25	Informing Senior lenders of intent of termination by issuing a copy of Termination Notice to them on occurrence of force Majeure/ Event of Default (Clause 15.7 and 16)		

**Key Performance Indicators (KPI)/Performance Standards  
(Based on MCA of Major Ports)**

<b>Sr. No.</b>	<b>Maintenance/ Performance Standards</b>	<b>Indicative norms</b>	<b>Actual during the month</b>	<b>Shortfall, if any</b>	<b>Action taken to remedy shortfall</b>
1	Gross Berth Output Appendix-14				
2	Transit Storage Dwell Time Appendix 14				
3	Turn-around time for receipt/ delivery operation Appendix 14				
4	Availability of Cranes				

**(VISAKHAPATNAM PORT TRUST)**

**Construction/ Operation Stage Monitoring Report of (Name of the Project) for the month ended..... (Prepared by Port to the Ministry)**

**I. Basic Data of the project**

<b>Sl. No.</b>	<b>Project Parameters</b>	<b>Details</b>
1.	Name of the Concessionaire	
2.	Percentage of equity holding in case of consortium	
3.	Payment of Royalty	
4.	Date of Issue of Letter of acceptance by the port to Concessionaire	
5.	Date of signing of Concession Agreement	
6.	Time duration for fulfilling the condition precedent as per concession agreement (a) By Concessionaire (b) By Concessioneing Authority	
7.	Actual Date of award of concession after fulfilling condition precedent	
8.	Date of starting of commercial operation	
9.	Estimated cost	
10.	Actual Cost	
11	Capacity	
12	Project details like length of berth, design vessel size can be handled, equipment installed, backup area etc.,	
13	Present tariff rate	
14	MGT if any as per concession agreement	
15	Cargo handled during this month	
16	Cumulative cargo handled during the financial year	
17	Any other remarks	

## APPENDIX 18

### Key Performance Indicators for Concessioning Authority

The project-specific minimum Performance Standards for Concessioning authority are presented in the below table

Sl. No.	Key Performance Indicators	Indicative Norms	Description
1.	Pilotage	3 hours	Berthing of vessel upto Panamax size after boarding of Pilot, availability of Tugs and Channel clearance given.
2.	Dredging	Maintain draft of 14.5 m in inner harbour	Maintenance of Inner channel to handle a vessel of draft 14.5 m. in Inner Harbour.
3.	Gross Berth Output	Refer Appendix 14	
4.	TRT		

#### **Performance Evaluation and calculation of liquidated damages:**

Any shortfall in performance as per above KPIs shall be documented by the Concessionaire with adequate supporting documentations and presented to the Concessioning Authority along with the quarterly performance reports submitted as per provisions set out in Appendix-14. Subject to any waivers as per Clause 7.3 (b), the Concessioning Authority shall be liable to pay liquidated damage determined at the rate of [0.5% of the Royalty of the respective quarter for every shortfall of 10%] in the average performance which shall be assessed in the following manner.

Each Performance Standard is calculated as an average in the manner indicated above. The actual average performance vis-à-vis a standard will be evaluated against the prescribed standard. The shortfall will be computed as a percentage of the prescribed standard. The shortfall in respect of each performance standard will have a weightage assigned to it. The overall shortfall in average performance shall be assessed as the aggregate of the weighted shortfalls in respect of each of the performance standards. For example, if there is a shortfall in Pilotage services by  $x\%$ , Rail turnaround time by  $y\%$  and vessel berthing time for inward/outward movement of vessel by  $z\%$  and the weightage assigned to such shortfalls is 0.7, 0.2 and 0.1 respectively, then the overall shortfall in average performance will be  $(0.7x + 0.2y + 0.1z)\%$ .

**APPENDIX 19**  
**Supporting Project Infrastructure**

<b>Below is the list of supporting infrastructure to be provided by Concessioneing Authority and the timelines for completing the supporting infrastructure.</b>		
<b>Sr. No.</b>	<b>Supporting infrastructure</b>	<b>Timeline of Completion</b>
1	Access Channels – i) Inner Harbour approach channel is 1.1 KM Long, (-) 16.10 m CD dept and draft alongside berth is 14.5 M ii) Outer Harbour approach channel is 3.1 KM long, 200m wide and (-) 20.0 m CD dept	Already Available
2	4 lane connectivity to Highway outside port	Already Available
3	Railway connectivity to common rail facility	Not Applicable
4	Protective works including breakwaters, shore protection;	The EQ-6 is located in Inner Harbour which is well protected
5	[Any other]	Nil
x- To be mentioned by authority for specific project		
COD - Commercial Operations Date		

**APPENDIX 20**  
**Compliance to Green Ports Policy**

The following list of measures are not exhaustive: however, the concessionaire shall independently ascertain the green measures to be implemented related to the project as per green port initiative.

<b>Sr. No.</b>	<b>Measures for compliance by Concessionaire</b>
1	The Concessioner shall prepare comprehensive environment management and monitor plan/green plan for implementation during construction and operational phases.
2	The Construction and operational activities undertaken as a part of the project shall have minimum environmental impact and shall maintain stringent environmental standards for limiting the water, air/noise pollution, as per CPCB/APPCB standards
3	The Concessionaire shall take green port initiative which shall include preparation and planning for monitoring environmental pollution, acquire pollution monitoring equipment, providing dust suppression system, sewage, seawater / waste treatment plan, garbage disposal plant, as desired.
4	The Concessionaire shall take utmost care to prevent disposal of any kind of garbage or cargo/waste into the seawaters.
5	The Concessionaire shall utilize renewable energy as far as possible and zero charge energy building
6	The Concessionaire shall develop adequate green cover within their project site.

## **APPENDIX 21**

### **Arbitration Rules of the Society for Affordable Redressal of Disputes - Ports (SAROD-Ports)**

#### **ARBITRATION RULES OF SAROD - PORTS I N D E X**

##### **Rule**

1. Scope of Application
2. Definitions
3. Notice, Calculation of Periods of Time
4. Commencement of Arbitration
5. Response by Respondent
6. Filing of Case Statements
7. Contents of Case Statements
8. Default in Filing and Serving Case Statements
9. Further Written Statements
10. SAROD-PORTS- Ports to Provide Assistance
11. Appointment of Tribunal
12. Multi-party Appointment of the Tribunal
13. Appointment of Substitute Arbitrator
14. Independence and Impartiality of the Tribunal
15. Code of Ethics for Arbitrators
16. Challenge of Arbitrators
17. Decision on Challenge
18. Removal of the Tribunal



19. Re-hearing in the Event of Replacement of the Tribunal
20. Jurisdiction of the Tribunal
21. Fees of SAROD-PORTS - Ports and Arbitral Tribunal
22. Transmission of File of the Tribunal
23. Juridical Seat of Arbitration
24. Language of Arbitration
25. Conduct of the Proceeding
26. Communications between Parties and the Tribunal
27. Party Representatives
28. Hearings
29. Documents - only Arbitration
30. Witnesses
31. Experts Appointed by the Tribunal
32. Rules applicable to substance of dispute
33. Closure of Hearings ·
34. Additional Powers of the Tribunal
35. Deposits to Costs and Expenses
36. Decision Making by the Tribunal
37. The Award
38. Additional Award
39. Correction of Awards
40. Settlement
41. Interest

42. Costs

43. Waiver

44. Exclusion of Liability

45. General Provisions

46. Amendment to Rules

## **PREAMBLE**

In order to seek speedy, affordable, just and reasonable Redressal of Dispute/Differences between Major Port Trusts and Concessionaire/Contractor arising out of and during the course of execution of various contracts, a Society for Affordable Resolution of Disputes - Ports (SAROD- PORTS - Ports) has been formed as a Society under Societies Registration Act, 1860 with registration\_\_\_\_. It has been formed by Indian Ports Association and Indian Private Ports and Terminals Association with founding members as mentioned in the Memorandum of Association of SAROD-PORTS

## **SAROD-PORTS ARBITRATION**

### **RULES**

#### **Rule: 1- Scope of Application**

1.1 Where any agreement, submission or reference provides for arbitration at the Society for Affordable Resolution of Disputes - Ports ("SAROD-PORTS"), or under the Arbitration Rules of the SAROD-PORTS and where the case is a domestic arbitration, the same shall be conducted in accordance with the following Rules, or such Rules as amended by the SAROD-PORTS where the amendments take effect before the commencement of the Arbitration.

1.2 These rules shall come into effect from the day of approval by Governing Body of SAROD-PORTS.

#### **Rule 2 - Definitions**

2.1 These Rules shall be referred to as "the SAROD-PORTS Arbitration Rules".

2.2 In these Rules:

"Act" means the 'Arbitration and Conciliation Act 1996' of India and any statutory modifications or re-enactments thereof

**“DOMESTIC ARBITRATION”** means arbitration to be conducted under these rules.

**"SAROD-PORTS"** means the Society for Affordable Redressal of Disputes- Ports.

**"SAROD-PORTS Arbitrator Panel"** means the list of persons admitted to serve as arbitrators under these Rules.

**"IPA"** means Indian Ports Association

**"IPPTA"** means Indian Private Ports and Terminals Association

**"GOVERNING BODY"** means Governing Body of SAROD-PORTS as defined in Article 9 of Memorandum of Association.

**"PRESIDENT"** means President of Governing Body of SAROD-PORTS as defined in Rules & Regulation of SAROD-PORTS.

**"SECRETARY"** means Secretary of SAROD-PORTS as defined in Rules & Regulation of SAROD-PORTS.

**"TRIBUNAL"** means either a Sole Arbitrator or all arbitrators when more than one is appointed.

**"PARTY"** means a party to an arbitration agreement,

**"E-Arbitration"** means submission of pleadings, defense statement etc. by E-mail and holding of proceedings via video conferencing.

### **Rule 3 - Notice, Calculation of periods of Time**

3.1 For the purposes of these Rules, any notice, including a notification, communication or proposal, is deemed to have been received if it is physically delivered to the addressee or if it is delivered at his habitual residence, place of business or mailing address, or, if none of these can be found after making reasonable inquiry, then at the addressee's last-known residence or place of business. Notice shall be deemed to have been received on the day it is so delivered.

3.2 For the purposes of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice, notification, communication or proposal is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Gazetted public holidays or non-business days occurring during the running of the period of time are included in calculating the period.

3.3 Without prejudice to the effectiveness of any other form of written communication, written communication may be made by fax, email or any other means of electronic transmission effected to a number, address or site of a party.

3.4 The transmission is deemed to have been received on the day of transmission.

#### **Rule 4- Commencement of Arbitration**

4.1 Any party wishing to commence an arbitration under these Rules ("**the Claimant**") shall file with the Secretary and serve on the other party { "**the Respondent**"}, a written Notice of Arbitration ("**the Notice of Arbitration**") which shall include the following:

- a) a request that the dispute be referred to arbitration;
- b) the names, addresses, telephone numbers, fax numbers and email addresses of the parties to the dispute;
- c) a reference to the arbitration clause or any separate arbitration agreement that is invoked and provide a copy of the arbitration clause or arbitration agreement;
- d) a reference to the contract out of which the dispute arises and provide a copy of the contract where possible;
- e) a brief statement describing the nature, **facts** and circumstances **leading to** the dispute;
- f) the relief or remedy sought, including the amount of claim if quantifiable at the time the Notice of Arbitration is filed;
- g) a proposal as to the number of arbitrators (i.e. one or three), if the parties have not previously agreed on the number; and
- h) the name of the Claimant's nominated arbitrator.

4.2 A filing fee of Rs. 10,000/- (Ten thousand) or any amount decided by Governing Body from time to time is payable at the time of filing the Notice of arbitration.

4.3 The date of filing of the Notice of Arbitration with the Secretary is the date of commencement of the arbitration for the purpose of these Rules.

## **Rule 5 - Response by Respondent**

5.1 Within **14 (fourteen)** days of receipt of the Notice of Arbitration, the Respondent shall file with the Secretary and serve upon on the Claimant, a Response including

- a) A confirmation or denial of all or part of the claims;
- b) Brief statement of the nature and circumstances of any envisaged counterclaims
- c) A comment in response to any proposals contained in the Notice of Arbitration; and
- d) The name of the respondent's nominated arbitrator.

5.2 A filing fee of Rs. 10,000/- or any amount decided by Governing Body from time to time is payable at the time of filing the Response.

5.3 In case parties have objection to the jurisdiction of Arbitral Tribunal, such objection shall be raised not later than 15 days of the commencement of Arbitration proceedings failing which it will be deemed that parties have waived their right to objection.

## **Rule 6- Filing of Case Statements**

6.1 Within 30 days after the filing of the Notice of Arbitration, the claimant must file with the Secretary and serve on the Respondent, a Statement of Claimant's Case along with all documents to be relied upon by the Claimant.

6.2 Within 30 days after the service of the statement of Claimant's Case, the Respondent must file with the Secretary and serve on the Claimant, a statement of respondent's defense and counterclaim (if any) along with all documents to be relied upon by the Respondent.

6.3 Within 30 days after the service of the statement of Respondent's defense, if the Claimant intends to challenge anything in the statement of Respondent's defense and/or counterclaim, the Claimant must then file with the Secretary and serve on the Respondent, a statement of claimant's reply and if necessary, defense to counterclaim.

6.4 No further case statements may be filed without the leave of the Tribunal or if a Tribunal has not been appointed, the Secretary.

6.5 The Tribunal or if a Tribunal has not been appointed, the Secretary, may upon the written

application of a party, extend the time limits provided under this Rule,

6.6 Thy party required to file a case statement must at the same time deposit with the Secretary for eventual transmission to the Tribunal an additional copy or additional copies of the case statement, according to the number of arbitrators constituting or who will constitute the Tribunal.

### **Rule 7 - Contents of Case Statements**

7.1 The case statements must contain the detailed particulars of the party's claim, defense or counterclaim and must thus contain a comprehensive statement of the facts and contentions of law supporting the party's position.

7.2 It must:

- a) Set out all items of relief or other remedies sought together with the amount of all quantifiable claims and detailed calculations.
- b) State fully its reasons for denying any allegation or statement of the other party.
- c) State fully its own version of events if a party intends to put forward a version of events different from that given by the other party.

7.3 A case statement must be signed by or on behalf of the party making it.

### **Rule 8 - Default in Filing and Serving Case Statements**

8.1 If the Claimant fails within the time specified under these Rules or as may be fixed by the Tribunal or by the Secretary, to submit its Statement of Case, the Tribunal or if a Tribunal has not been appointed, the Governing Body may issue an order for the termination of the arbitral proceedings or make such other directions as may be appropriate in the circumstances.

8.2 If the Respondent fails to submit a Statement of Respondent's Defense; the Tribunal may nevertheless proceed with the arbitration and make the award.

### **Rule 9 - Further Written Statements**

9.1 The Tribunal will decide which further written statements, in addition to the case statement(s) already filed, are required from the parties and shall fix the periods of time for giving, filing and

serving such statements.

9.2 All such further statements must be given to the Tribunal, filed with the Secretary and served on the Claimant or Respondent, whichever is applicable.

#### **Rule 10 - SAROD-PORTS to Provide Assistance**

10.1 At the request of the Tribunal or either party, the Secretary will render such assistance as is required for the conduct of the arbitration, including arranging for facilities, suitable accommodation for sittings of the Tribunal, secretarial assistance or interpretation of these rules.

10.2 Any additional expenses incurred or to be incurred for any such arrangements shall be borne by the parties.

#### **Rule 11- Appointment of Tribunal**

11.1 The disputes shall be decided by a Sole Arbitrator when the total claim of dispute is Rs. 3 Crores or less.

In all cases of disputes claimed for more than Rs. 3 Crores, the tribunal shall consist of odd number of Arbitrators to be nominated by the parties. The Presiding Arbitrator shall be appointed by the Arbitrators nominated by the parties from amongst the panel maintained by SAROD- PORTS. For deciding the Presiding Arbitrator, a draw of lots can be carried out from amongst the names suggested by the Arbitrators nominated by the Parties, the eligibility criteria for empanelment of Arbitrators will be decided by the Governing Body.

11.2 If a Sole Arbitrator is to be appointed, the Governing Body will appoint the Arbitrator within 21 days from the date the Respondent's Statement of Defense and Counterclaim (if any) is filed or falls due, whichever is earlier. The Governing Body will appoint the Arbitrator from the panel of Arbitrators by draw of lots,

11.3 An Arbitrator/Presiding Arbitrator to be appointed under these Rules shall be a person on the SAROD-PORTS Arbitration Panel as at the date of the appointment,

11.4 In the event of any party failing to appoint Arbitrator within 30 days of receipt of the notice of



Arbitration, the Governing Body shall appoint the Arbitrator or Presiding Arbitrator as the case may be by a draw of lots.

### **Rule 12- Multiparty appointment of the Tribunal**

12.1 If there are more than 2 parties in the arbitration, the parties shall agree on the procedure for appointing the Tribunal within 21 days of the receipt of the Notice of Arbitration.

12.2 If the parties are unable to do so, upon the lapse of the 21-day time period mentioned herein, the Tribunal shall be appointed by the Governing Body as soon as practicable.

### **Rule 13-Appointment of Substitute Arbitrator**

In the event of the death or resignation of any of the arbitrators, a substitute arbitrator must be appointed by the same procedure as in Rule 11 by which the arbitrator concerned was appointed, failing which, the Governing Body will make the appointment.

### **Rule 14 - Independence and Impartiality of the Tribunal**

14.1 The Tribunal conducting arbitration under these Rules shall be and remain at all times independent and impartial and shall not act as advocate for any party.

14.2 A prospective arbitrator shall disclose to those who approach him in connection with his possible appointment, any circumstances likely to give rise to justifiable doubts as to his impartiality or independence.

14.3 An arbitrator, once nominated or appointed, shall disclose any such circumstance referred to in Rule 14.2 to the Secretary and/ or to all parties.

### **Rule 15 - Code of Ethics for Arbitrators**

An Arbitrator is a fountain of justice and emblem of equity, fairness and good conscience. Therefore he/she is expected to exhibit a noble conduct. The code of conduct prescribed by the Governing Body has to be adopted.

### **Appointment**

15.1 A prospective arbitrator shall accept an appointment only if he is fully satisfied that he is able

to discharge his duties without bias, he has an adequate knowledge of the language of the arbitration, and he is able to give to the arbitration the time and attention which the parties are reasonably entitled to expect,

15 .2 In this code, the masculine includes the feminine.

### **Disclosure**

A prospective arbitrator shall disclose all facts or circumstances that may give rise to justifiable doubts as to his impartiality or independence, such duty to continue thorough out the arbitral proceedings with regard to new facts and circumstances, **in terms of the arbitration and conciliation Act 1996 as amended from time to time.**

15.3 A prospective arbitrator shall disclose to the Secretary and any party who approaches him for a possible appointment:

- a) Any past or present close personal relationship or business relationship, whether direct or indirect, with any party to the dispute, or any representative of a party, or any person known to be a potentially important witness in the arbitration;
- b) The extent of any prior knowledge he may have of the dispute.

### **Bias**

15.4 The criteria for assessing questions relating to bias are impartiality and independence. Partiality arises when an arbitrator favors one of the parties or where he is prejudiced in relation to the subject matter of the dispute. Dependence arises from relationships between an arbitrator and one of the parties, or with someone closely connected with one of the parties.

15.5 Any close personal relationship or current direct or indirect business relationship between an arbitrator and a party, or any representative of a party, or with a person who is known to be a potentially important witness, will normally give rise to justifiable doubts as to a prospective arbitrator's impartiality or independence. Past business relationships will only give rise to justifiable doubts if they are of such magnitude or nature as to be likely to affect a prospective arbitrator's judgment. He should decline to accept an appointment in such circumstances unless the parties agree in writing that he may proceed.

## **Communications**

15.6 Before accepting an appointment, an arbitrator may only enquire as to the general nature of the dispute, the names of the parties and the expected time period required for the arbitration.

15.7 No arbitrator shall **Communicate** with any of the parties or their Counsel until after the Secretary gives notice of the formation of the Tribunal to the parties.

15.8 Throughout the arbitral proceedings, an arbitrator shall avoid any unilateral communications regarding the case with any party, or its representatives.

## **Fees**

15.9 In accepting an appointment, an arbitrator agrees to the remuneration as prescribed in the rules of SAROD-PORTS, and he shall make no unilateral arrangements with any of the parties or their Counsel for any additional fees or expenses without the agreement of all the parties and the consent of the Secretary of SAROD-PORTS.

## **Conduct**

15.10 Once the arbitration proceedings commence, the arbitrator shall acquaint **himself** with all the facts and arguments presented and all discussions relative to the proceedings so that he may properly understand the dispute.

## **Confidentiality**

15.11 The arbitration proceedings shall remain confidential. An arbitrator is in a relationship of trust to the parties and should not, at any time, use confidential information acquired during the course of the proceedings to gain personal advantage or advantage for others, or to affect adversely the interest of another.

15.12 This Code is not intended to provide grounds for the setting aside of any award.

## **Rule 16- Challenge of Arbitrators**

16.1 An arbitrator may be challenged if there are circumstances that give rise to justifiable doubts

as to his impartially or independence and also if he or she has committed any misconduct

16.2 An arbitrator may also be challenged if he does not possess the qualifications required by the agreement of the parties,

16.3 A party may challenge an arbitrator appointed on its nomination or with its agreement only for reasons of which it becomes aware after the appointment has been made.

16.4 A party who intends to challenge an arbitrator shall file with the Secretary and serve on the other party or all other parties, whichever is applicable, a Notice of Challenge.

16.5 The Notice of challenge must be filed and served within 14 days from the appointment of the arbitrator or within 14 days after the circumstances mentioned in Rule 15.1 became known to that party.

16.6 The Notice of Challenge must state the reasons for the challenge.

16.7 The arbitration shall be suspended until the challenge is resolved or decided upon.

16.8 When an arbitrator has been challenged by one party, the other party may agree to the challenge. The arbitrator may also, after the challenge, withdraw from his office. However, it is not implied in either case that there has been an acceptance of the validity of the grounds for the challenge. In both cases, the procedure provided in Rule 11 read with Rule 13, shall be used for the appointment of a substitute arbitrator.

### **Rule 17 - Decision on Challenge**

17.1 If the other party does not agree to the challenge and the arbitrator does not withdraw, the decision on the challenge will be made by the Governing Body.

17.2 If the Governing Body sustains the challenge, a substitute arbitrator shall be appointed or chosen pursuant to the procedure applicable to the appointment of an arbitrator as provided in Rule 11 read with Rule 13. If the Governing Body dismisses the challenge, the arbitrator shall continue with the arbitration.

## **Rule 18 - Removal of the Tribunal**

18.1 The Governing Body may on the application of a party remove an arbitrator:

- a) Who is physically or mentally incapable of conducting the proceedings or where there are justifiable doubts as to his ability to do so; or
- b) Who has refused or failed to use all reasonable dispatch in conducting the arbitration or making an award.
- c) Who has continuously absented from attending the proceedings for more than 3 sitting without prior permission of Presiding Arbitrator/Governing Body of SAROD-PORTS.

18.2 The arbitrator(s) concerned is entitled to appear and be heard at the hearing of the application to remove him.

18.3 Upon the removal of the arbitrator, a substitute arbitrator shall be appointed in accordance with Rule 11 read with Rule 13.

18.4 The Governing Body's decision on the application is final and is not subject to appeal or review.

## **Rule 19 - Re-hearing in the Event of Replacement of the Tribunal**

If the sole or presiding Arbitrator is replaced, there shall be a re-hearing. If any other arbitrator is replaced, such re-hearing may take place at the discretion of the Tribunal.

## **Rule 20 - Jurisdiction of the Tribunal**

20.1 The Tribunal shall have the power to rule on its own jurisdiction, including any objection with respect to the existence, termination or validity of the arbitration agreement. For that purpose, an arbitration agreement which forms part of a contract shall be treated as an agreement independent of the other terms of the contract. A decision by the Tribunal that the contract is null and void shall not entail ipso jure the invalidity of the arbitration agreement.

20.2 The plea that the Tribunal does not have jurisdiction shall be raised not later than in the Statement of Defense. A plea that the Tribunal is exceeding the scope of its authority shall be raised promptly after the Tribunal has indicated its intention to decide on the matter alleged to be

beyond the scope of its authority. [neither case the Tribunal may nevertheless admit a late plea under this Rule if it considers the delay justified. A party is not precluded from raising such a plea by the fact that he has nominated or participated in the appointment of an arbitrator.

20.3 The Tribunal must rule on an objection that it lacks jurisdiction as a preliminary question upon the objection being raised. It may rule on an objection that it exceeds the scope of its authority either as a preliminary question or in an award on the merits, as it deems just and convenient.

20.4 In addition to the jurisdiction to exercise the powers defined elsewhere in these Rules, the Tribunal shall have jurisdiction to determine any question of law arising in the arbitration; proceed with the arbitration notwithstanding the failure or refusal of any party to comply with these Rules or with the Tribunal's orders or directions, or to attend any meeting or hearing, but only after giving that party written notice that it intends to do so; and to receive and take into account such written or oral evidence as it shall determine to be relevant, whether or not strictly admissible in law.

## **Rule 21 - Fees of SAROD-PORTS and Arbitral Tribunal**

### **Fee Schedule**

Registration Fee (Non - Refundable): Rs.10,000/- or any amount fixed by Governing Body from time to time. The Schedule of Fees and allied expenditure shall be decided by Governing Body.

## **Rule 22- Transmission of File to the Tribunal**

22.1 The Secretary shall, as soon as practicable transmit to the Tribunal, a file containing the Notice of Arbitration, the Response and all case statements.

22.2 The Tribunal shall as soon as practicable, after consultation with the parties, issue such orders and/or directions as are necessary for the conduct of the arbitration to conclusion, including a timetable for steps to be taken in the arbitration and for the hearing of the arbitration.

## **Rule 23- Judicial Seat of Arbitration**

23.1 Unless otherwise agreed by the parties, the judicial seat of arbitration shall be New Delhi.

23.2 Notwithstanding Rule 22.1 and 22.2, the Tribunal may, unless otherwise agreed by the parties, hold hearings and meetings anywhere convenient, subject to the provisions of Rule 28.2.

**Rule 24 - Language of Arbitration**

The language of arbitrators shall be English. In case of material existing in any other language, other than English the same has to be translated to English language.

**Rule 25 - Conduct of the Proceedings**

The Tribunal shall have the widest discretion allowed by the Act to ensure the just, expeditious, economical and final determination of the dispute. The proceedings shall be conducted from 10 AM to 5 PM with a recess of one hour.

**Rule 26 - Communication between Parties and the Tribunal**

26.1 Where the Tribunal sends any written communication to one party, it shall send a copy to the other party or parties as the case may be.

26.2 Where a party sends any written communication (including Statements, expert reports or evidentiary documents) to the Tribunal, the same shall be copied to the other party or all other parties, whichever is applicable, and show to the Tribunal that the same has been so copied.

26.3 The address of the parties for the purpose of all communications during the proceedings shall be those set out in the Notice of Arbitration, or as either party may at any time notify the Tribunal and the other party or parties, whichever is applicable.

26.4 A copy of correspondence between the parties and the Tribunal shall be sent to the Secretary.

**Rule 27 – Party Representatives**

Any party may be represented by legal practitioners or any other representatives, subject to such proof of authority as the Tribunal may require. The names and addresses of such representatives must be notified to the other party or parties. In case one party is represented by non-legal person, another party will also be represented by non-legal person so as to maintain natural justice.

## **Rule 28 - Hearings**

28.1 Unless the parties have agreed on documents- only arbitration the tribunal shall hold a hearing for the presentation of evidence by witnesses, including expert witnesses, or for oral submissions.

28.2 The Tribunal shall fix the date, time and place of any meetings and hearings in the arbitrations on the first hearing, and complete time table pertaining to all the activities of the Arbitration e.g. submission of statement of claim, reply, counter claim, reply therein, admission and denial of documents, visit/inspection of site if any. The tribunal shall stick to the timetable with or without any deviations unless there are unavoidable circumstances warranting such deviation which will be with the prior permission of the tribunal.

28.3 Prior to the hearing, the Tribunal may provide the Parties with matters or questions to which it wishes them to give special consideration.

28.4 In the event that a party to the proceedings without sufficient cause, fails to appear at a hearing of which the notice has been given, the Tribunal may proceed with the arbitration and may make the Award after the party present has submitted evidence to prove its case.

28.5 All meetings and hearing shall be in private unless the parties agree otherwise.

## **Rule 29 - Documents Only Arbitration**

29.1 The Disputes may be decided without an oral hearing if it is so agreed by the parties.

29.2.1 Where the parties agree to dispense with oral hearing, the Tribunal must be promptly informed by either of the parties, as soon as is practicable. The Tribunal must also be promptly informed it, at a later stage, the parties or either of them intends to apply for an oral hearing.

29.2.2 Parties may seek discovery of documents if they are not satisfied with existence of documents annexed with statement of claim, reply and counter claim by giving self-contained request to the Tribunal justifying the necessity for such documents. Decision of tribunal shall be final and binding upon the parties.



## **Rule 30 - Witnesses**

30.1 The Tribunal may require each party to give notice of the names and designations of the witnesses it intends to call and reasons for legal necessity of such witness.

30.2 No party shall call any expert witness without the leave of the Tribunal.

30.3 Any witness who gives evidence may be questioned by each party or its representative subject to any rulings made by the Tribunal,

30.4 A Witness may be required by the Tribunal to testify under oath or affirmation

30.5 Subject to such order or direction which the Tribunal may make, the testimony of witness may be presented in written form, either as signed statements or by duly sworn or affirmed affidavits,

30.6 Any party may require a witness to attend an oral examination at a hearing. If the witness fails to attend, the Tribunal may place such weight on the written testimony as it thinks fit, or may exclude it altogether,

30.7 The Tribunal shall determine the admissibility, relevance, materiality and weight of the evidence given by any witness.

## **Rule 31- Experts Appointed by the Tribunal**

31.1 Unless otherwise agreed by the parties, the Tribunal may:

- a) appoint one or more experts to report the Tribunal on specific issues;
- b) require a party to give any such expert any relevant information or to produce, or to provide access to, any relevant documents, goods or property for inspection by the expert.

31.2 Unless otherwise agreed by the parties, if a party so requests or if the Tribunal deem it fit, the expert shall, after delivery of his written or oral report, participate in an oral hearing, at which the parties may question him and present expert witnesses in order to testify on the points at issue.

31.3 Rule 30.2 shall not apply to an assessor appointed by agreement of the parties, or to an expert appointed by the Tribunal to advise solely in relation to procedural matters.

**Rule 32 - Rules applicable to substance of dispute - (1) Where the place of arbitration is situated in India**

32.1 In an arbitration, the arbitral tribunal shall decide the dispute submitted to arbitration in accordance with the substantive law for the time being in force in India;

**Rule 33 - Closure of Hearing**

33.1 The Tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submission to make and, if there are none, declare the hearing closed.

33.2 The Tribunal may also, in view of exceptional circumstance, reopen the hearings at any time before the award is made.

**Rule 34 - Additional Powers of the Tribunal**

34.1 In addition to the powers conferred by the Act, the Tribunal shall also have the power to: -

- a) Allow any party, upon such terms of as to costs and otherwise) as it shall determine, to amend claims or counterclaims;
- b) Extend or abbreviate any time limits provided by these Rules;
- c) Conduct such enquires as may appear to the Tribunal to be necessary or expedient;
- d) Order the parties to make any property or thing available for inspection
- e) Order any parties to produce to the tribunal, and to other parties for inspection, and to supply copies of any documents, or classes of documents in their possession, custody, or power which the Tribunal determines to relevant.
- f) Make orders or give directions to any party for interrogatories;
- g) Make orders or give directions to any party for an interim injunction or any other interim measure;
- h) Make such orders or give such directions as it deems fit in so far as they are not inconsistent with the Act or any statutory re-enactment thereof or such law which is applicable or these Rules.

34.2 If the parties so agree, the Tribunal shall also have the power to add other parties (with their consent) to be joined in the arbitration and make a single Final Award determining all disputes

between them.

### **Rule 35- Deposits to Costs and Expenses**

35.1 The Tribunal's fees and SAROD-PORTS administration fees shall be ascertained in accordance with the Schedule of Fees in Force at the time of commencement of the arbitration.

35.2 The Claimant shall deposit with the SAROD-PORTS half of the fees payable at the time of filing of the Statement of Case. The Respondent shall deposit with the SAROD-PORTS one-half of the fees payable at the time of filing the Statement of Respondent's Defense and Counterclaim (if any). The balance of fees payable shall be paid 60 days before the date of the final hearing or on such other date that the Secretary may direct.

35.3 Where the amount of the claim or the counterclaim is not quantifiable at the time payment is due, the Secretary will make a provisional estimate. The fees will be adjusted in the light of such information as may subsequently become available. If the arbitration is settled or disposed of without a hearing, the amount of the Tribunal's fees and SAROD-PORTS administration fees shall be finally determined by the Secretary who will have regard to all the circumstances of the case, including the stage of proceedings at which the arbitration is settled or otherwise disposed of

35.4 The Secretary may from time to time direct parties to make one or more deposit(s) towards any further expenses incurred or to be incurred on behalf of or for the benefit of the parties.

35.5 All deposit(s) shall be made to and held by the SAROD-PORTS. Any interest which may accrue on such deposit(s) shall be retained by the SAROD-PORTS.

35.6 If a party fails to make the payments or deposits required or directed, the Tribunal may refuse to hear the claims or counterclaims, whichever is applicable, by the non-complying party, although it may proceed to determine claims or counterclaims by any party who has complied with orders

35.7 The parties shall remain jointly and severally liable to the SAROD-PORTS for payment of all such fees and expenses until they have been paid in full even if the arbitration is abandoned, suspended or concluded, by agreement or otherwise, before the final Award is made.

### **Rule 36 - Decision Making by the Tribunal**

36.1 Where a Tribunal has been appointed, any direction, order, decision or award of the Tribunal must be made by the whole Tribunal or a majority. If an arbitrator refuses or fails to sign the Award, the signatures of the majority shall be sufficient, provided that the reason for the omitted signature is stated.

36.2 If there is no unanimity, the same shall be made by the majority arbitrators as well as by the dissenting arbitrator alone as if acting as a sole arbitrator.

36.3 However, in case of a three-member Tribunal the presiding arbitrators may after consulting the other arbitrators, make procedural rulings alone.

### **Rule 37 - The Award**

37.1 It will be mandatory for the parties to submit written synopsis of their arguments respectively which will form part of the arbitral proceedings.

37.2 The Tribunal shall assemble at the assigned place in SAROD-PORTS and shall exercise utmost secrecy and confidentiality in writing the award,

37.3 Unless the Secretary extends the time or the parties agree otherwise, the Tribunal shall make its Award in writing within 30 days from the date on which the hearings are closed and shall state the reasons upon which its award is based. The award shall contain the date and shall be signed by the arbitrator or arbitrators.

37.4 The Tribunal may make interim awards or separate awards on different issues at different times.

37.5 All Awards must be submitted by the Tribunal to the Secretary and they shall be issued through the Secretary.

37.6 The Tribunal must deliver to the Secretary number of originals of the award sufficient for the parties and for filing with the Secretary.

37.7 The Secretary shall release the award to the parties only upon receipt of sufficient deposits to

cover the fees and expenses due to the Tribunal and to the SAROD-PORTS.

37.8 By agreeing to have arbitration under these Rules, the parties undertake to carry out the award without delay.

37.9 Stamp duty on award shall be payable by the party in whose favor the award has been pronounced.

### **Rule 38- Additional Award**

38.1 Within 30 days after the receipt of the award, either party, with notice to the Secretary and the other party may request the Tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.

38.2 If the Tribunal considers the request for an additional award to be justified and considers that the omission can be rectified without any further hearings or evidence, it shall notify all the parties within 7 days of the receipt of the request, that it will make an additional award, and complete the additional award within 30 days after the receipt of the request.

### **Rule 39 - Correction of Awards**

39.1 Within 30 days of receiving an Award, unless another period of time has been agreed upon by the parties, a party may by notice to the Secretary and the other party request the Tribunal to correct in the Award, any errors in computation, any clerical or typographical errors or any errors of similar nature.

39.2 If the Tribunal considers the request to be justified, it shall make the corrections) within 30 days of receiving the request. Any correction shall be notified in writing to the parties and shall become part of the Award.

39.3 The Tribunal may correct any error of the type referred to in Rule 37.1 on its own initiative within 30 days of the date of the Award.

### **Rule 40- Settlement**

40.1 If, the parties arrived at amicable settlement of the dispute during the currency proceedings,

the parties shall file memo of settlement before the tribunal who shall either issue an order for the termination of the arbitral proceedings or, if requested by both parties and accepted by the Tribunal, record the settlement in the form of an arbitral award on agreed terms. The Tribunal is not obliged to give reasons for such an award,

#### 40.2 The Parties shall:

- a) Notify the Tribunal and the Secretary immediately if the arbitration is settled or otherwise terminated:
- b) Make provision in any settlement for payment of all the costs of the arbitration and fees and expenses due to the SAROD-PORTS and the Tribunal.

40.3 If the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason not mentioned in Rule 38.1, before the award is made, the Tribunal shall inform the parties of its intention to issue an order for the termination of the proceedings. The Tribunal shall have the power to issue such an order unless party raises justifiable grounds for objection.

40.4 Copies of the order for termination of the arbitral proceedings or of the arbitral award on. Agreed terms, signed by the Tribunal, shall be communicated by the Tribunal to the parties through the Secretary.

### **Rule 41- Interest**

The Tribunal may award interest on any sum awarded at such rate as applicable in fixed deposits of Sate Bank of India in respect of such periods ending not later than the date of the award as the Tribunal considers just.

### **Rule 42- Costs**

42.1 The Tribunal shall specify in the final award, the costs of the arbitrations and decide which party shall bear them and in what proportion they shall be borne.

42.2 In this Rule, "costs of the arbitration" shall include: '

- a) The fees and expenses of the Tribunal and the administration fees of the SAROD-PORTS as determined by the Secretary in accordance with the Schedule of Fees;

- b) The costs of tribunal appointed experts or of other assistance rendered: and
- c) All expenses which are reasonably incurred by the SAROD-PORTS in connection with the arbitration.

42.3 The Tribunal has power to order in its Award, that all or part of the legal or other costs (such as legal fees and expenses, costs incurred in respect of party appointed experts etc.) of one party shall be paid by the other party.

### **Rule 43 - Waiver**

A party which is aware of non-compliance with these Rules and yet proceeds with the arbitration without promptly stating its objection in writing such non-compliance shall be deemed to have waived its right to object.

### **Rule 44 - Exclusion of Liability**

44.1 The Tribunal, the President, the SAROD-PORTS and any of its officers, employees or agents shall not be liable to any party for any act or omission in connection with any arbitration conducted under these Rules,

44.2 After the Award as been made and the possibilities of corrections and additional Awards have lapsed or been exhausted, neither the Tribunal nor the President shall be under any obligation to make any statement to any person about any matter concerning the arbitration, and no party shall seek to make any arbitrator or the President or the SAROD-PORTS and any of its officers a witness in any legal proceedings arising out of the arbitration.

### **Rule 45- General Provisions**

45.1 In all matters not expressly provided for in these Rules, the President, the Secretary and the Tribunal shall act in the spirit of these Rules and shall make every reasonable effort to ensure the just, expeditious and economical conclusion of the arbitration.

45.2 The Secretary may from time to time issue Practice Notes on the implementation of these Rules.

### **Rule 46- Amendment to Rules**

These Rules may from time to time be amended by the Governing Body of **SAROD-PORTS**.

**APPENDIX 22**  
(See Clause 21.2.2)

**PANEL OF CHARTERED ACCOUNTANTS**

**1. Panel of Chartered Accountants**

Pursuant to the provisions of Clause 21.2.2 of the Agreement, the Concessioneing Authority and the Concessionaire shall prepare a mutually agreed panel of 5 (five) reputable firms of Chartered Accountants having their registered offices in India (the “Panel of Chartered Accountants”). The criteria for preparing such Panel and the procedure to be adopted in this behalf shall be as set forth in this Appendix-22

**2. Invitation for empanelment**

2.1 The Concessioneing Authority shall invite offers from all reputed firms of Chartered Accountants who fulfil the following eligibility criteria, namely:

- a) the firm should have conducted statutory audit of the annual accounts of at least one hundred companies registered under the Companies Act, 2013, including any re- enactment or amendment thereof, of which at least ten should have been public sector undertakings;
- b) the firm should have at least 5 (five) practising Chartered Accountants on its rolls, each with a minimum experience of 10 (ten) years in the profession;
- c) the firm or any of its partners should not have been disqualified or black-listed by the Comptroller and Auditor General of India or the Concessioneing Authority; and
- d) the firm should have an office in the State or in an adjacent State with at least 2 (two) practising Chartered Accountants on its rolls in such State.

Interested firms meeting the eligibility criteria shall be required to submit a statement of their capability including the biodata of all the practising Chartered Accountants on its rolls. In particular, each firm shall be required to furnish year-wise information relating to the names of all the companies with an annual turnover exceeding Rs. 25,00,00,000 (Rupees Twenty-five crores) whose annual accounts were audited by such firm in any of the preceding 5 (five) Accounting



Years.

### **3. Evaluation and selection**

3.1 The information furnished by each firm shall be scrutinised and evaluated by the Concessioneing Authority and 1 (one) point shall be awarded for each annual audit of the companies specified in Paragraph 2.2 above. (For the avoidance of doubt and by way of illustration, a firm which has conducted audit of the annual accounts of any such company for 5 (five) years shall be awarded 5 (five) points).

3.2 The Concessioneing Authority shall prepare a list of all the eligible firms along with the points scored by each such firm and 5 (five) firms scoring the highest points shall be identified and included in the draft Panel of Chartered Accountants.

### **4. Consultation with the Concessionaire**

The Concessioneing Authority shall convey the aforesaid panel of firms to the Concessionaire for scrutiny and comments, if any. The Concessionaire shall be entitled to scrutinise the relevant records of the Concessioneing Authority to ascertain whether the selection of firms has been undertaken in accordance with the prescribed procedure and it shall send its comments, if any, to the Concessioneing Authority within 15 (fifteen) days of receiving the aforesaid panel.

### **5. Mutually agreed panel**

5.1 The Concessioneing Authority shall, after considering all relevant factors including the comments, if any, of the Concessionaire, finalise and constitute a panel of 5 (five) firms which shall be deemed to be the mutually agreed Panel of Chartered Accountants.

5.2 After completion of every 5 (five) years from the date of preparing the mutually agreed Panel of Chartered Accountants, or such earlier period as may be agreed between the Concessioneing Authority and the Concessionaire, a new panel shall be prepared in accordance with the provisions of this Appendix-22

## APPENDIX 23

(See Clause 18.5)

### VESTING CERTIFICATE

1. The Chairperson of **VISAKHAPATNAM** Port represented by \_\_\_\_\_ (the “**Concessioneing Authority**”) refers to the Concession Agreement dated \_\_\_\_\_ (the “**Agreement**”) entered into between the Concessioneing Authority and (the “**Concessionaire**”) for the Project on design, build, finance, operate and transfer (the “**DBFOT**”) basis.
2. The Concessioneing Authority hereby acknowledges compliance and fulfilment by the Concessionaire of the obligations set forth in Clause 18.2 of the Agreement on the basis that upon issue of this Vesting Certificate, the Concessioneing Authority shall be deemed to have acquired, and all title and interest of the Concessionaire in or about the Project shall be deemed to have vested unto the Concessioneing Authority, free from any encumbrances, charges and liens whatsoever.
3. Notwithstanding anything to the contrary contained hereinabove, it shall be a condition of this Vesting Certificate that nothing contained herein shall be construed or interpreted as waiving the obligation of the Concessionaire to rectify and remedy any defect or deficiency in any of the obligations set forth in Clause 18.2 and/or relieving the Concessionaire in any manner of the same.

AGREED, ACCEPTED AND For and on behalf of **Concessionaire** by :

Signature

Name

Designation

Address

AGREED, ACCEPTED AND For and on behalf of **Concessioneing Authority** by:

Signature

Name

Designation

Address

In presence of

A)

B)



# Visakhapatnam Port Authority

## Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-06 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)



## FINAL REPORT

June - 2022

Submitted by:



**VOYANTS SOLUTIONS PVT. LTD.**

403, 4th Floor, Park Centre, Sector 30, NH-8,

Gurugram-122001, Haryana, India,

Ph: +91 124 4598200 E-mail: [info@voyants.in](mailto:info@voyants.in),

Website: [www.voyants.in](http://www.voyants.in)



# VOYANTS SOLUTIONS PRIVATE LIMITED (VSPL)

**Client:** **Visakhapatnam Port Authority (VPA)**  
ENGINEERING DEPARTMENT

**Project:** Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-06 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

**Project No.:**  
VPA-GUR / 21-22  
/2122-008/PORT

**Title:** FINAL REPORT

RP 001

R3

## References:

1. Work Order No. CE/EE(PPP)/EQ-6/2021/03 dated 19<sup>th</sup> July 2021.
2. Contract Agreement signed between VPA and Voyants towards subject project dated 21 August 2021
3. Various communications between Voyants and Client for data collection, site visits and the like.
4. Our letter ref VSPL/PMS/VPA/CAN- 2122-008/010 dated 30 September 2021 towards Draft TEFR Submission
5. Site visits carried out on 19<sup>th</sup> and 20<sup>th</sup> October 2021
6. Detail Discussion with Civil Department, Material Handling, Traffic and Finance Departments of VPA during site visits on 19<sup>th</sup> to 21<sup>st</sup> October 2021
7. Submission of Final report on 29<sup>th</sup> November 2021
8. Presentations to VPA on 16<sup>th</sup> December and 26<sup>th</sup> December 2021
9. Submission of revised financial analysis on 29<sup>th</sup> December 2021.
10. Comments from VPA on Final TEFR report received on 08<sup>th</sup> January 2022.
11. Submission of Revised Financial models on 18<sup>th</sup> January 2022.
12. VC held on 01<sup>st</sup> February 2022 to discuss operation philosophy with respect to deployment of 2nos of MHC in-lieu of one MHC at initial stage of operations and associated cost estimate.
13. Submission of revised cost estimate and Interim Report on 02<sup>nd</sup> Feb 2022 and 05<sup>th</sup> Feb 2022 respectively.
14. Revised Final Report submitted on 18<sup>th</sup> February 2022
15. Presentation to Chairman and VPA Officials on 11<sup>th</sup> March 2022
16. Comments from VPA on 14<sup>th</sup> June 2022

## Revision Details:

R3	15.06.2022	Approved Report	APS		KPS		JVR	
R2	22.03.2022	Accepted Report	APS		KPS		JVR	
R1	18.02.2022	Final Report for acceptance	APS		KPS		JVR	
R0	29.11.2021	Final Report for Comments and approval	APS		KPS		JVR	
Rev.	Date	Details	Name	Sign.	Name	Sign.	Name	Sign.
			Prepared		Checked		Approved	

# **EXECUTIVE SUMMARY**



## **EXECUTIVE SUMMARY**

### **1. INTRODUCTION**

Port of Visakhapatnam (VPA) is one of the leading major ports of India. With an objective to improve the Port performance, it is proposed to increase the efficiency of the berths through upgrading civil infrastructure to accommodate larger vessels as well as mechanization of cargo handling equipment for efficient Port operations.

In line with the above-mentioned objective, VPA has decided to take up the development and mechanisation of berth EQ-06 through PPP mode.

Accordingly, M/s Voyants Solutions Private Limited (The Consultant) has been appointed as the Consultant for carrying out Techno-Economic Feasibility Study for development and mechanization of existing EQ-06 berth.

### **2. PROJECT SITE ENVIRONMENT**

Visakhapatnam has a tropical climate two seasonal monsoons viz. North-East and South-West. The average annual temperature at VPA is 26.4°C, varies from 17.1°C to 33.6°C. The average annual rainfall at VPA is 975 mm (38.3 inches) with 50 rainy days per year. Visakhapatnam observes semi diurnal tides. The chart datum at Visakhapatnam is 0.8 m below mean sea level and mean tidal range during neap and spring tides are 0.48m and 1.40m respectively.

The Port is connected to National Highway -16 (formerly called as NH-5) by a four-lane link road of 12 kms. The Port is also well connected with the Indian railways network directly through the Waltair Railway Marshalling Yard to Chennai-Howrah main line of east coast.

### **3. EXISTING FACILITIES**

EQ-06 berth is located in in the inner harbour of the port. Initial length of EQ-06 berth was 167.6m. Further to upgradation of Berth EQ-02 - EQ-05, part of EQ-05 was merged to EQ-02 - EQ-05 while remaining part was integrated with EQ-06 thereby increasing the berth length of EQ-06 to 280m. Post submission of Draft Report and further discussion with the VPA officials, the length of Berth EQ-06 was



redefined to 255 m (112.4m of remaining part of EQ-5 berth and 142.6m of EQ6 berth).

The berth has undergone two structural upgradations in year 1998 and year 2012.

The berth has an immediate backup area of 280m length and 48.5m width. In addition to the dry bulk and break-bulk cargo being handled at the berth, the ship-shore liquid cargo transfer is carried out through 8" or 6" SS flexible hoses with a discharge rate of 200 TPH. At present there is no dedicated equipment for cargo handling for berth EQ-06.

The cast iron bollards installed at the berth are having a capacity of 100 Tons. The fenders at EQ-06 are M-type 800H marine fenders are functional at berth EQ-06

#### 4. TRAFFIC DEMAND ASSESSMENT AND FORECAST

Traffic demand/forecast assessment study pertaining to Berth EQ-06 has been carried out and is presented in table below.

Sr. No.	Cargo Particulars	2025	2030	2035	2040	2045	2050	2055
A	Import Cargo							
I	Dry Bulk Cargo	0.33	0.41	0.43	0.44	0.46	0.47	0.49
II	Breakbulk Cargo	0.09	0.15	0.18	0.23	0.28	0.33	0.39
	<b>Total Import Cargo</b>	<b>0.42</b>	<b>0.56</b>	<b>0.61</b>	<b>0.67</b>	<b>0.74</b>	<b>0.8</b>	<b>0.88</b>
B	Export Cargo							
I	Dry Bulk Cargo	0.3	0.39	0.42	0.45	0.48	0.52	0.57
II	Breakbulk Cargo	0.43	0.64	0.71	0.8	0.91	1.03	1.17
	<b>Total Export Cargo</b>	<b>0.73</b>	<b>1.03</b>	<b>1.13</b>	<b>1.25</b>	<b>1.39</b>	<b>1.55</b>	<b>1.74</b>
	<b>Total EXIM Cargo</b>	<b>1.15</b>	<b>1.59</b>	<b>1.74</b>	<b>1.92</b>	<b>2.13</b>	<b>2.35</b>	<b>2.62</b>

Taking into consideration the vessel trend for dry bulk, break bulk and liquid cargo vessels, the following vessels sizes are envisaged at the berth EQ-06;

Cargo	Size (DWT)	LOA (m)	Beam (m)	Draft(m)
<b>Bulk Cargo</b>	50,000	200	32.28	11.00
<b>Break bulk Cargo</b>	25,000	192	25.00	10.70





Based on the historical data, the average parcel sizes were assessed to be as follows:

Cargo	Parcel size (in Tons)
Bulk Cargo	28,500
Break Bulk cargo	11,800

## 5. FACILITY REQUIREMENTS AND MECHANIZATION SCHEMES

### a) Waterside Facilities

Based on the traffic volumes and associated parcel sizes/vessels envisaged at the berth, the existing waterside facilities are evaluated for its adequacy and presented in table below.

Sl. No	Description	Required	Existing
<b>Approach Channel</b>			
1	Draft: <ul style="list-style-type: none"><li>Inner channel</li><li>Outer channel</li></ul>	(-) 12.10 m C.D (-) 13:20 m C.D	(-) 16.10 m C.D (-) 22.00 m C.D
2	Channel width <ul style="list-style-type: none"><li>Inner channel</li><li>Outer channel</li></ul>	104.0 m 161.4 m	111.0 to 116.0 m 200.0 m
<b>Inner turning circle</b>			
1	Diameter	400 m	460 m
2	Draft	(-) 12.10 m C.D	(-) 14.5 m C.D

In order to handle vessels with draft of 11.00m, the existing depth of (-)12.10m CD is sufficient and no dredging is envisaged. A length of 255m and 40m width in front of the berth is earmarked as berth pocket.

The berth length available for EQ-06 is 255m. The berth length is sufficient for a vessel with length of 205m with 25m of safety margin space on either end.

The apron width was increased from initial width of 9.144m provided using monolith structure to 16.4m with help of RCC deck structure for manoeuvring of 100T Mobile harbour crane. This apron width will be sufficient for modern machinery proposed in later parts of the chapter.

The cast iron bollards present at the berth are having a capacity of 100 Tons and can effectively cater for mooring of the largest vessels expected to berth at EQ-06.



The fenders observed at EQ-06 are M-type 800H marine fenders. These fenders are in good condition with sufficient capacity to cater to 50,000T DWT vessel.

#### **b) Landside facilities**

An earmarked piece of land measuring 10.50 acres has been allocated as storage area for berth EQ-06. The backup area is planned for all dry bulk and Break bulk cargos. The storage area is well connected to the Berth EQ-06 by means paved roads. Along with above mentioned storage areas, there is backup area of 255m length and 48m width along the length of the berth for intermittent cargo storage and immediate evacuation.

Export and Import cargo will be moved through the existing roads, which are adequate to cater for the truck movement envisaged for loading and unloading.

#### **c) Mechanisation schemes**

The following cargo handling mechanisation schemes are analysed;

<b>Alternatives</b>	<b>Import</b>	<b>Export</b>
<b>Alternative - 1</b> Deployment of One MHC	<ul style="list-style-type: none"> <li>• One MHC</li> <li>• Mobile hopper</li> <li>• Trucks</li> <li>• Wheel loader/ Fork Lifts</li> </ul>	<ul style="list-style-type: none"> <li>• MHC</li> <li>• Trucks</li> <li>• Wheel loaders / Fork Lifts</li> </ul>
<b>Alternative - 2</b> Deployment of Two MHC	<ul style="list-style-type: none"> <li>• Two MHC</li> <li>• Mobile hopper</li> <li>• Trucks</li> <li>• Wheel loader/ Fork Lifts</li> </ul>	<ul style="list-style-type: none"> <li>• MHC</li> <li>• Trucks</li> <li>• Wheel loader/ Fork Lifts</li> </ul>
<b>Alternative - 3</b> Fully Mechanised System	<ul style="list-style-type: none"> <li>• MHC</li> <li>• Mobile hopper</li> <li>• Conveyor</li> <li>• Stacker Reclaimer cum</li> <li>• Trucks</li> <li>• Fork lifts</li> <li>• Truck loading station</li> </ul>	<ul style="list-style-type: none"> <li>• Ship loader</li> <li>• MHC</li> <li>• Conveyor</li> <li>• Stacker Reclaimer cum</li> <li>• Trucks</li> <li>• Fork lifts</li> </ul>



The selection of the most optimal mechanisation has been carried out based on the following Criteria:

- Mechanization / automation
- Control & monitoring
- Environmental impact
- Capital investment
- Operation and maintenance
- Logistics
- Ease of operations
- Multiple cargo handling

Based on the above-described selection criteria, following conclusions have been drawn:

- Since the berth will be catering to multiple cargos in small volumes, fully mechanised handling systems like conveyors and ship un/loaders are not economically viable. Hence, alternative 3 is not recommended for berth EQ-06.
- Between Alternative 1 and 2, Alternative 1 ie, One MHC with hopper and Truck system is recommended as it provides the flexibility to increase the berth capacity by adding another MHC in future. Also, the alternative has lower capital cost requirement and better efficiency compared to two cranes system.
- Additionally, alternative 1 has been selected after detailed discussion with VPA officials.

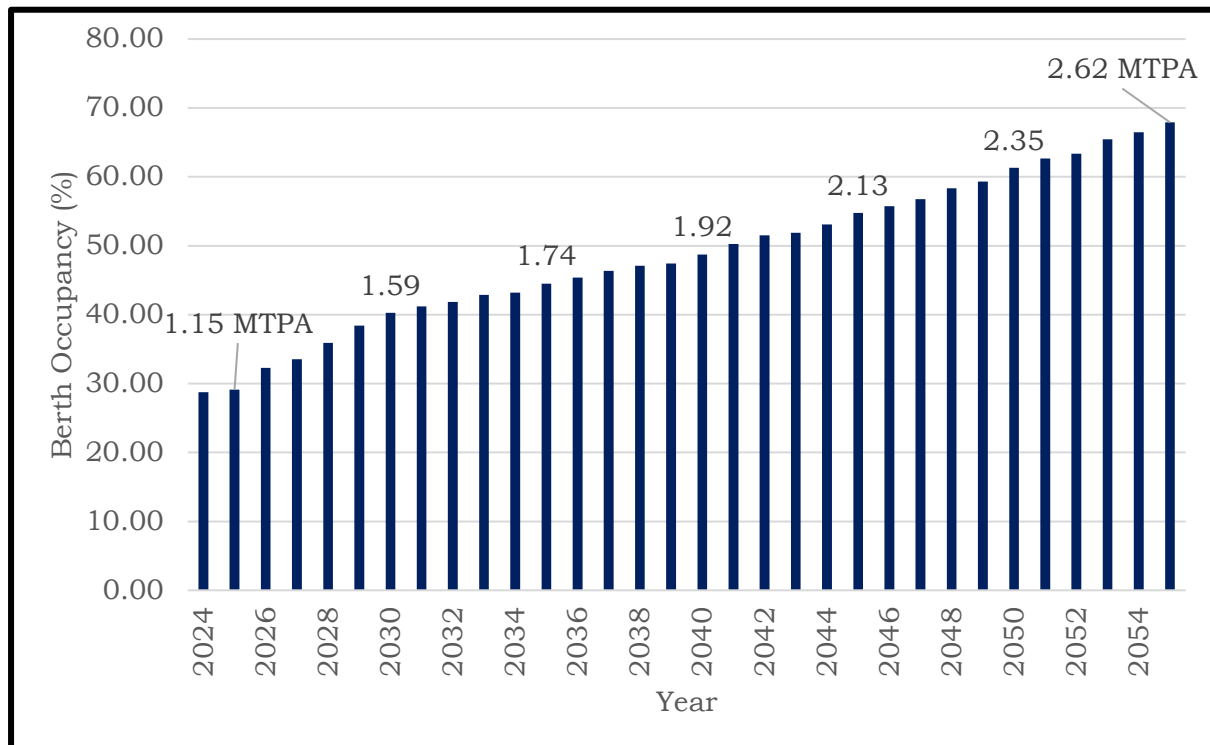
## **6. DEVELOPMENT PLAN**

Most optimal selection of equipment and their deployment plan has been worked out based on berth occupancy calculations. The berth occupancy was evaluated considering MHC with rated capacity of 1500 TPH by limiting the berth occupancy to maximum of 70%, accordingly the following scheme is suggested;

- 1 No. 1500 TPH(rated) MHC and associated supporting equipment at the commencement of project (Single Phase development)



With the proposed scheme of development, the berth occupancy in year 2055 was found to be 67.92%.



Backup Area will be utilised for both dry bulk and breakbulk cargo. The location is less than 300m away from berth.

### **Cargo handling equipment**

Summary of Equipment proposed for berth EQ-06 is as follows:

Sl. No.	Description	Nos.
1	Mobile Harbour Crane (1500 TPH)	1
2	Mobile hopper (150 T)	1
3	Trucks (20 cum) [Rental equipment]	23
4	Wheel loaders (2 cum bucket)	7
5	Fork lifts (5T)	5

### **Electrical works**



The total power requirement for the proposed development is estimated to be 402 KVA.

The illumination is provided with help of LED flood lights and 30m tall high mast poles. The average illumination provided is 25 Lux.

A 11 KV XLPE cable will be laid up to the substation for power offtake from high voltage switchyard. The loading/unloading facility at berth will be fed from 11.0 KV switchgear panels provided in the Substation.

### **Water requirement**

It was assessed that 7.2 m<sup>3</sup> of fresh water and 220 m<sup>3</sup> of STP water will be required.

### **Dust suppression system**

Plain water dust suppression system is provided for dry bulk cargo stockpile to suppress the generated dust due to wind blowing.

### **Firefighting system**

A suitably designed fire-fighting system has been envisaged using existing fire tenders available with VPA.

### **Manpower requirement**

The Manpower of 120 man-days per day is estimated. The work is planned to be executed in 3 shift every day.

## **7. COST ESTIMATE**

The capital cost expected for development is INR 69.69 Crore.

## **8. ENVIRONMENTAL ASPECTS**

Environmental protection measures/actions to be taken for reducing pollution of air, water and noise for the proposed cargo handling equipment are provided.

## **9. IMPLEMENTATIONS SCHEDULE**

The total duration required for the development activity is 33 months. The selection of PPP operator is scheduled to take about 15 months for award of the project from the approval of Prefeasibility studies. The construction of the proposed facilities for



mechanization is expected to 18 Months from the award of the project. The MHCs are the long lead item which will take minimum 10 months for delivery at site.

## 10. FINANCIAL ANALYSIS

Based on the capital costs, traffic forecast assumed and other financial assumptions taken for the financial analysis, the analysis is conducted under three scenarios namely

The upfront tariff was assessed to be as follows:

Upfront Tariff (INR/MT)	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
Optimal terminal capacity (TAMP Guidelines)	130.40	111.01	127.34	125.74
Actual Traffic (UNCTAD)	177.22	142.32	165.81	164.80

The project is expected to fetch following returns to Private Operator and VPA in each of the scenarios

Basis	Project IRR
Optimal terminal capacity (TAMP Guidelines)	8.4%
Actual Traffic (UNCTAD)	16.3%

## 11. CONCLUSION

Based on the traffic forecast and vessel analysis, project will be provided with One 1500 TPH MHC.

- Traffic:** The total import and export cargo is estimated to be 1.15MT in year 2025 and about 2.62MT by year 2055.
- Vessel size and dredging requirements:** The maximum vessel sizes envisaged at the berth EQ-06 would be 50,000DWT and 25,000DWT for bulk cargo and break-bulk cargo respectively. Since the existing depth [(-)13.5 m CD] is more than the required depth of 12.1m, no dredging is envisaged.



- c) **Berth Structure and Furniture:** No modifications to the existing berthing structure and its furniture are envisaged.
- d) **Equipment:** Based on effective berth occupancy and stacking yard utilisation, the following equipment is proposed for development:

Sl. No.	Description	Nos.
1	Mobile Harbour Crane (1500 TPH)	1
2	Mobile hopper (150 T)	1
3	Trucks (20 cum) [Rental equipment]	23
4	Wheel loaders (2 cum bucket)	7
5	Fork lifts (5T)	5

- e) **Storage area:** Backup area reserved for the storage is adequate for dry bulk and break-bulk cargo.
- f) **Utilities:** All the other infrastructure facilities including utilities (power and water) firefighting systems, dust suppression systems and the like are assessed and proposed for the further development.
- g) **Project Cost:** The total cost of the project is assessed to be Rs. 69.69 Crore.
- h) **Tariff:** The tariff was found to be as follows:

Upfront Tariff (INR/MT)	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
Optimal terminal capacity (TAMP Guidelines)	130.40	111.01	127.34	125.74
Actual Traffic (UNCTAD)	177.22	142.32	165.81	164.80

- i) **Financial Analysis:** The results of the financial analysis is presented in the table below.

Basis	Project IRR
Optimal terminal capacity (TAMP Guidelines)	8.4%
Actual Traffic (UNCTAD)	16.3%

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# **CHAPTER 1**

## **INTRODUCTION**



## CHAPTER 1

### INTRODUCTION

#### 1.1 INTRODUCTION

Port of Visakhapatnam (VPA) is one of the leading major ports of India. VPA is located at Latitude 17°41' N and Longitude 83°18' E and situated on the east coast midway between Kolkata and Chennai as shown in **Figure 1-1** below.



**Figure 1-1 : Vishakhapatnam Port Location**

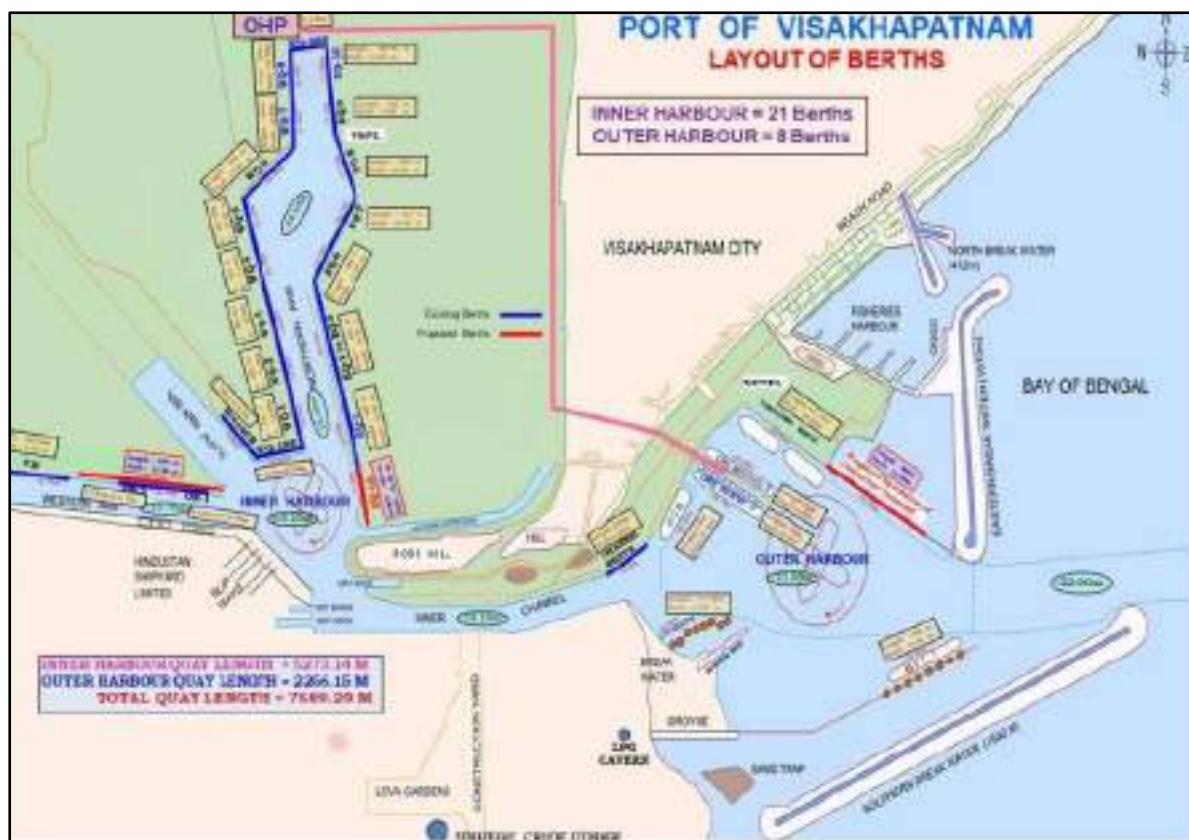
The VPA Port has two distinct basins, namely Outer harbour and Inner harbour:

- Outer harbour is a protected tranquil basin of 200 ha encompassed by two breakwaters namely the Easter breakwater (1,070m long) and southern breakwater (1,540m long). The outer harbour consists of 8 berths (7 berths + 1 SPM) with draft of 18.1 m.
- Inner harbour has a water spread of 100 ha which comprises of an entrance channel of 1.62 km in length and 16.1 m draft, a turning basin and three navigable arms – northern, western and north-western accommodating a total of 21 berths. It can accommodate up to fully loaded Panamax vessels of 230m LOA, 32.5m beam and 14.5m draft.
- North of outer harbour an area of 24 ha is designated as fisheries harbour.





A detailed layout of VPA inner and outer harbour basins are shown in **Figure 1-2** below:



**Figure 1-2 : Detailed Layout for VPA**

For more details, the overall layout of Vishakhapatnam Port is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-01**.

VPA experienced a steady growth over four years from 2015-16 (57.03 MT) to 2019-20 (72.72 MT) with average CAGR of 6.3% while experiencing a reduction of mere 4% in 2020-21 with overall traffic handled at 69.84 million tonnes. The total installed cargo handling capacity at Vishakhapatnam Port is of 126.89 MTPA.

VPA serves a vast hinterland with major industries such as Coromandel Fertilizers, SAIL, NALCO, MMTC, etc., within close vicinity of the port.

In order to improve the Port performance, it is proposed to increase the efficiency of the berths through upgrading civil infrastructure to handle larger vessels as well as mechanization of material handling equipment for efficient cargo handling operation.

In line with the above-mentioned goal, VPA has decided to take up the development and mechanisation of berth EQ-06 through PPP mode as per prevalent Model



Concession Agreements (MCA) guidelines and for which it intends to conduct a Techno Economic Feasibility Study.

Accordingly, M/s Voyants Solutions Private Limited (The Consultant) has been appointed vide letter Number CE/EE(PPP)/EQ-06/2021/03 dated 19<sup>th</sup> July, 2021, for carrying out Techno-Economic Feasibility Study for the Development and Mechanization of Existing EQ-06 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT).

## 1.2 PROJECT LOCATION

The Berth EQ-06 is located in the inner harbour as shown in **Figure 1-3** below.



**Figure 1-3 : Berth EQ-06 inside Inner Harbour of VPA**

The Port has recently undertaken development of Multipurpose Terminal by revamping of EQ-02 to EQ-05 berths to cater to 14.0m draft vessels in Inner Harbour with design throughput of 6.0 MTPA. Under this, the existing EQ-02 to EQ-05 berths of monolithic type with a draft of 10.06m were replaced by a single multipurpose terminal of 560m length to cater to fully laden Panamax vessels of 14m draft.

Further to this upgradation, the length of berth EQ-06 which is in operation since year 1966 was increased from 167.64m to 280m. However, the water depth is still maintained at 12.1m. Post submission of Draft Report and further discussion with the VPA officials, the length of Berth EQ-06 was redefined to 255m (112.4m of remaining part of EQ-5 berth and 142.6m of EQ6 berth).

The layout of berth EQ-06 is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-02.**





### **1.3 PROJECT OBJECTIVE**

The primary objective of this Project is to carry out a Techno-Economic Feasibility Study for development and mechanisation of berth EQ-06 for handling multi cargoes under DBFOT mode.

### **1.4 SCOPE OF WORK**

The scope of work under the study is as follows:

- a) Carryout comprehensive site visits to appreciate the existing facilities, operation philosophies, constraints/bottlenecks and the requirements associated with the proposed project.
- b) Collect all the required project related data and the past studies including Port Master Plan reports from the VPA and review for appreciating the project site environment, design basis, functional and operational aspects of the existing facilities including utilities and proposed augmentation plans.
- c) Assessment of existing traffic in VPA and providing traffic demand forecast for Berth EQ-06 considering it as a multi-cargo berth.
- d) Identification of alternative cargo handling schemes(mechanised/semi-mechanised) and recommend most optimal scheme including layout drawings for proposed system
- e) Planning of identified backup area/storage area including strengthening schemes for storage including development of railway yard, if necessary.
- f) Verify structural adequacy of existing infrastructure such as berth, cargo handling system, and providing strengthening measures based on the assessment, if required.
- g) Identify and propose utilities required such as electrical, dust suppression system, firefighting system etc along with manpower requirements.
- h) Identify and propose additional supporting infrastructure such as roads, drains and the like.
- i) Identify Environmental aspects associated with proposed cargo handling and storage system,
- j) Assessment of Capital cost and O&M cost
- k) Anticipate annual revenue earnings and carryout financial viability analysis considering upfront payment.



- l) Prepare and submit Techno Economic Feasibility Study Report by comprehensively reporting all the above tasks.

## **1.5 STRUCTURE OF FINAL TECHNO-ECONOMIC FEASIBILITY REPORT**

The structure of this report is presented as follows:

### **CHAPTER 1: INTRODUCTION**

This Chapter (current chapter) presents the introduction and background of the project, project location, objective of the project, and scope of work.

### **CHAPTER 2: PROJECT SITE ENVIRONMENT**

The second chapter enlists various site condition parameters such as geographic location of site, environmental data (oceanographic data, meteorological data and geotechnical data, etc.) and hinterland connectivity.

### **CHAPTER 3: EXISTING FACILITIES**

In any brownfield project, it is imperative to assess the existing facilities. Chapter 3 provides a holistic view regarding existing marine and landside facilities pertaining to Berth EQ-06 and the associated backup area.

### **CHAPTER 4: TRAFFIC DEMAND ASSESSMENT AND FORECAST**

This chapter provides assessment of the historical trend in the traffic through VPA as well as berth EQ-06 and further provides traffic demand forecast for major cargos identified for berth EQ-06.

### **CHAPTER 5: FACILITY REQUIREMENT AND MECHANIZATION SCHEMES**

The chapter deals with identification of various facilities, utilities, cargo handling mechanization schemes, planning and evaluation of mechanization schemes and alternative layouts etc. and providing recommended layouts and mechanization towards proposed project based on cargo mix. This chapter will also provide the section criteria for mechanisation scheme.

### **CHAPTER 6: DEVELOPMENT PLAN**

The chapter provides descriptive assessment of the selected mechanization scheme, preliminary sizing of the proposed facility and the corresponding layouts.



## **CHAPTER 7: PROJECT COST ESTIMATE**

This chapter explains the costs associated with the proposed project taking into consideration equipment and mechanization planning, utilities, etc. The chapter provides both Capital cost expected for the proposed development.

## **CHAPTER 8: ENVIRONMENTAL ASPECTS**

Chapter 8 will provide the Environmental aspects associated with proposed cargo handling and storage systems.

## **CHAPTER 9: IMPLEMENTATION SCHEDULE**

This chapter explains the proposed development activities and corresponding time schedule for implementation of the project.

## **CHAPTER 10: FINANCIAL ANALYSIS**

Financial Analysis chapter explains the project cost (marine side and land side infrastructure), contingencies, revenues, Traffic Income, Operating Cost Assumptions, Financial Viability of the project based on the guidelines referred in the ToR.

## **CHAPTER 11: CONCLUSION**

Based on the outcome the study, this chapter provides the conclusions and recommendations to VPA towards implementation of the project.

# **CHAPTER 2**

## **PROJECT SITE ENVIRONMENT**



## CHAPTER 2

### PROJECT SITE ENVIRONMENT

#### 2.1 INTRODUCTION

This Chapter presents analysis of various information pertaining to seabed, met-ocean parameters, topography and soil conditions based on the compilation and review of various data provided by the Client. In addition to this, the Chapter also provides brief assessment on hinterland region for port and hinterland connectivity to the Port.

#### 2.2 GEOGRAPHIC LOCATION OF PROJECT SITE

The VPA is Located at Latitude 17° 41' N and Longitude 83° 18' E; the VPA is situated at the mouth of River Narava Gedda. VPA is the largest Major Port in terms of cargo handled on the east coast of India and is situated midway between Chennai Port and Kolkata Port. General layout of VPA is presented in **Figure 2-1**.



**Figure 2-1 : VPA General Layout**



## **2.3 CLIMATE AND MET-OCEAN CONDITIONS**

This section provides assessment of climate and met-oceanic conditions in VPA based on the various data obtained from the VPA and also secondary research by the Consultant.

### **2.3.1 Climate**

Vishakhapatnam has a tropical climate. As the port is located on the coast of Bay of Bengal, the humidity remains high throughout the year.

The climate of the region is characterized by two seasonal monsoons viz. North-East and South-West. Northeast monsoon occurs between November and January with predominant north-easterly winds. During this period the risk of a tropical storm or cyclones is higher. South-west monsoon extends from June to September and is distinguished by occurrence of rain, with south westerly winds.

#### **2.3.1.1 Temperature**

There is a seasonal variation in temperature at Visakhapatnam Port. May and June are hotter months whereas December and January are colder months. The average annual temperature at VPA is 26.4°C, varies from 17.1°C to 33.6°C. The mean daily maximum and minimum temperatures are about 31°C and 23.5°C respectively. The highest temperature so far recorded was 44.4°C in the month of June in 1923 and the lowest temperature recorded was 12.8°C in the month of January in 1958.

#### **2.3.1.2 Precipitation**

Rainfall is the primary source of precipitation at VPA. The average annual rainfall at VPA is 975 mm (38.3 inches) with 50 rainy days per year. Most of the rainfall is received during the south-west monsoon. The driest weather is in December with an average precipitation of 4 mm and the wettest weather is in September and October with an average precipitation of 170mm and 260mm respectively.

#### **2.3.1.3 Relative Humidity**

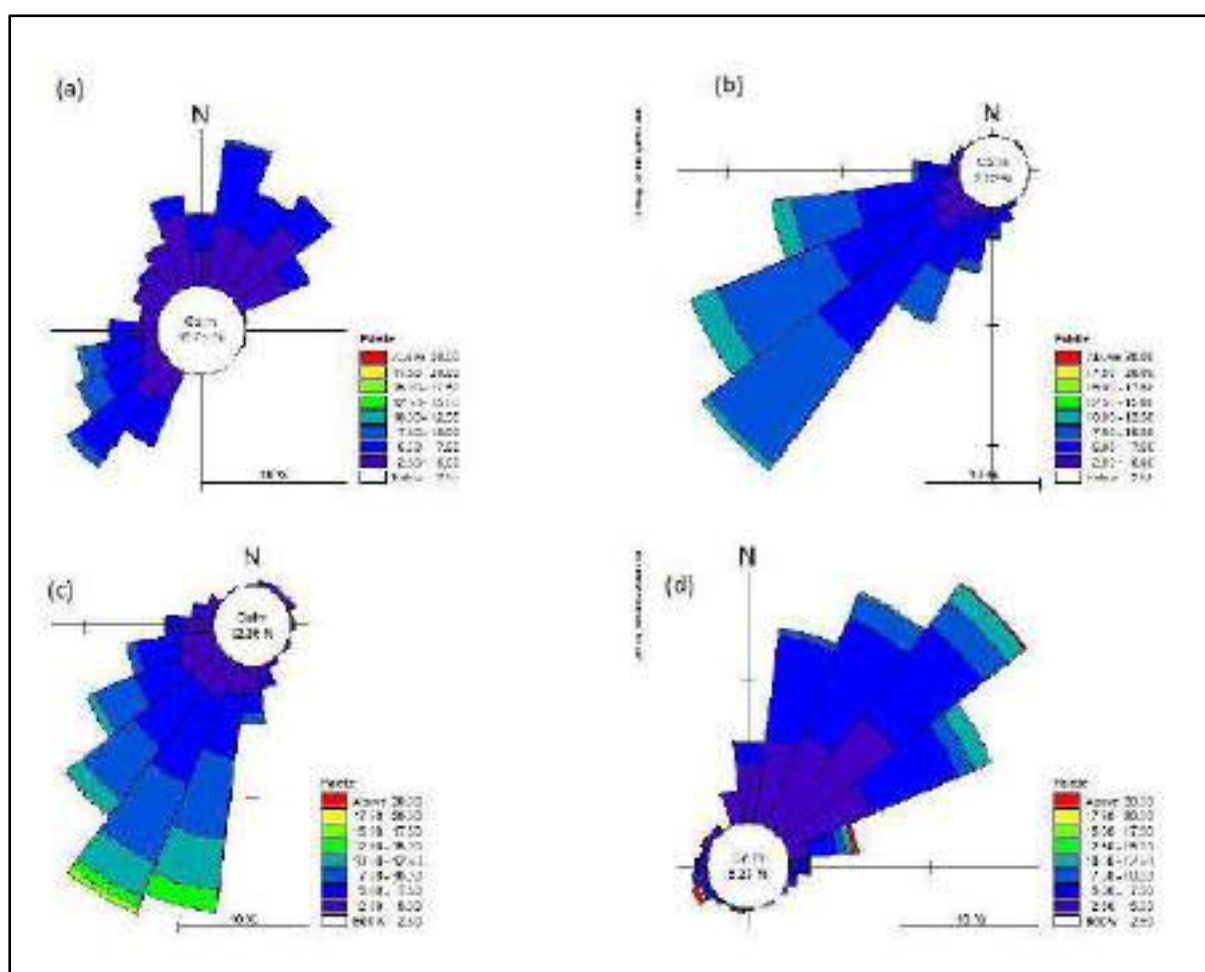
The humidity is comparatively high and fairly uniform throughout the year at VPA. The average annual relative humidity is 72%. On average September is the most humid month with 78% humidity and December is the least humid month with 67% humidity. The mean daily relative humidity over a year is about 76% at 0800 hrs and 72% at 1700 hrs.



#### 2.3.1.4 Wind

Predominant wind direction prevailing at VPA is between south-west to north-east in various periods. The average wind speed at the Port is 15 kmph while the maximum wind speed of around 40 kmph. However, it is known that wind speed as high as 150 kmph may be experienced occasionally during cyclones in the Bay of Bengal.

The wind rose indicating the wind climate for the four quarters of the year (viz. January-March (a); April-June (b); July-September (c) & October-December (d)) is as presented in **Figure 2-2** below.



**Figure 2-2 : Wind Rose Diagram for Vishakhapatnam Port Location**

Visakhapatnam is characterized by mainly two monsoon seasons north-east and south-west monsoon. The north-east monsoon period is from end November to end February governed by north easterly winds. The pre-monsoon period, the period of the year when the winds shift towards south westerly direction is from March to May. The south-west monsoon period is from middle of May up to middle of October





governed by south-westerly winds. The post monsoon is from middle of October to end November.

### 2.3.2 Tide Levels

Visakhapatnam observes semi diurnal tides. Tide levels with respect to Chart Datum (CD) as per naval hydro graphic chart:308 are presented in **Table 2-1** below. The chart datum at Visakhapatnam is 0.8 m below mean sea level.

**Table 2-1 : Tide levels at Visakhapatnam Port**

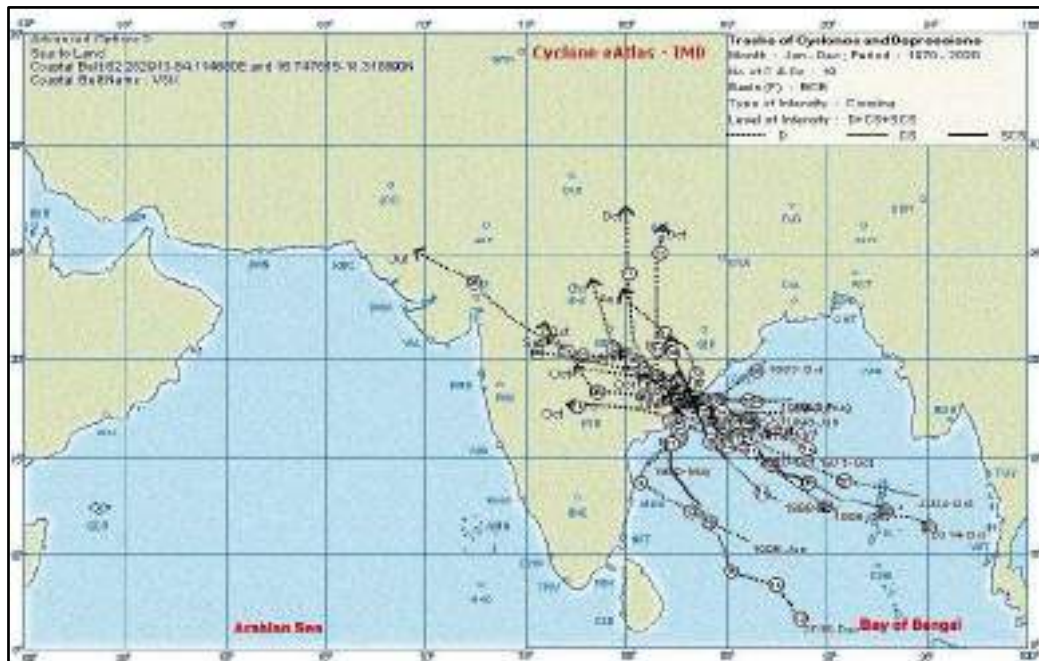
Sl. No.	Description	Level (in meters) w.r.t to CD
1.	Mean high water spring tide (MHWS)	(+) 1.50 m
2.	Mean high water neap tide (MHWN)	(+) 1.10 m
3.	Mean sea level (MSL)	(+) 0.80 m
4.	Mean low water neap tide (MLWN)	(+) 0.50 m
5.	Mean low water spring tide (MLWS)	(+) 0.10 m
6.	Chart datum (CD)	0.00 m

Source: National Hydrographic Office (NHO) Chart:308

### 2.3.3 Cyclone

In the Bay of Bengal, depressions are likely to be encountered during all seasons of the year with a local fall in the pressure. On an average 4 to 5 cyclones per annum may be experienced in this region. Cyclones are frequent during the month of November. Cyclones are also likely to occur during the month of May. According to Indian Meteorological Department (IMD) database it was observed that about 167 cyclonic and super cyclonic storms formed in Bay of Bengal basin during the period of 1970 to 2020 (past 50 years). The below **Figure 2-3** displays the track of cyclones making landfall in Visakhapatnam region over the last 50 years.

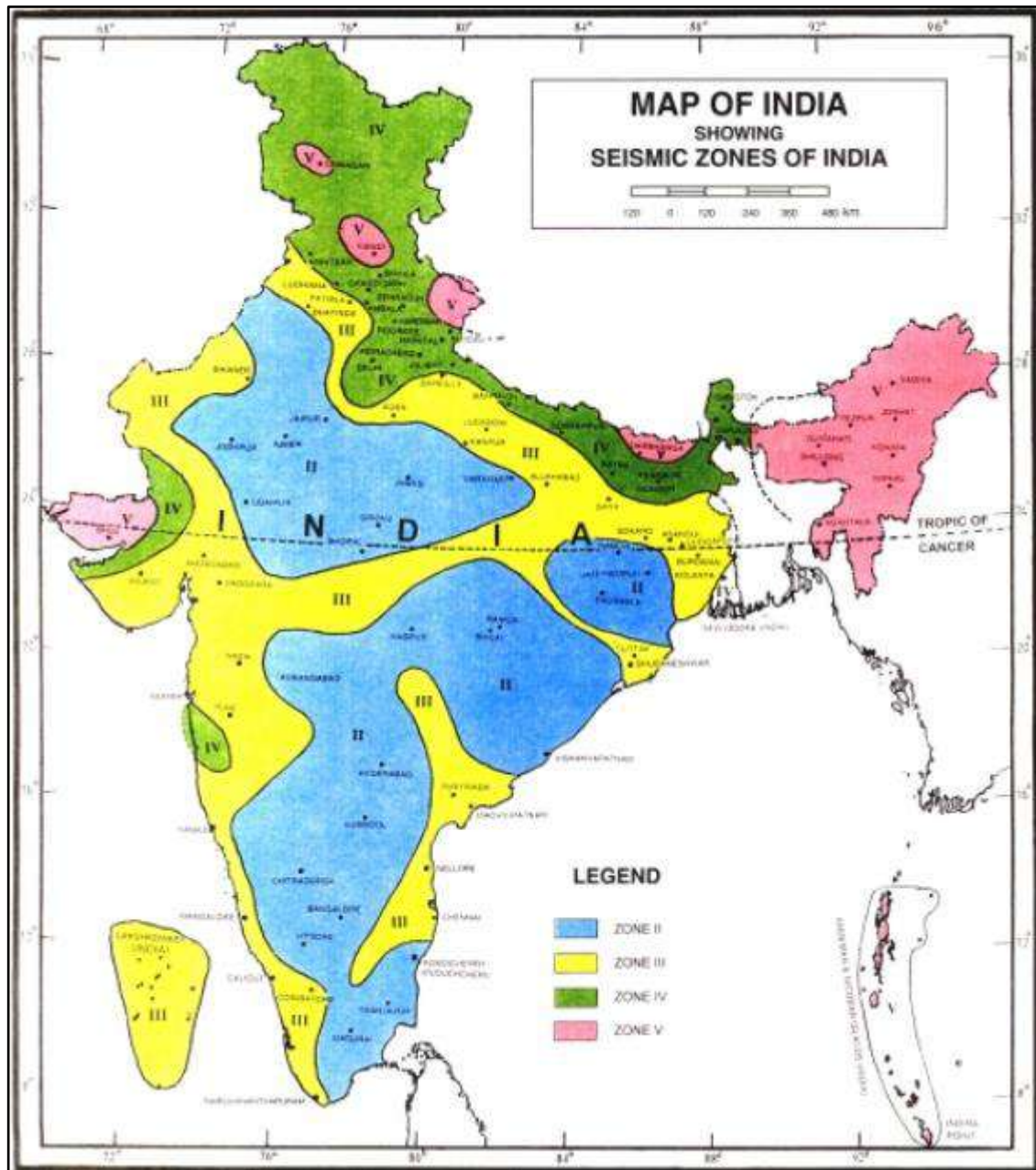




**Figure 2-3 : Track of cyclones making landfall in Visakhapatnam region**

#### **2.3.4 Earthquake**

Visakhapatnam falls under the stable zone II of seismic zoning classification as notified by the seismic zoning committee, Government of India. The seismic zone map of the India has been presented in **Figure 2-4** below



**Figure 2-4 : Seismic zone map of India**

### **2.3.5 Visibility**

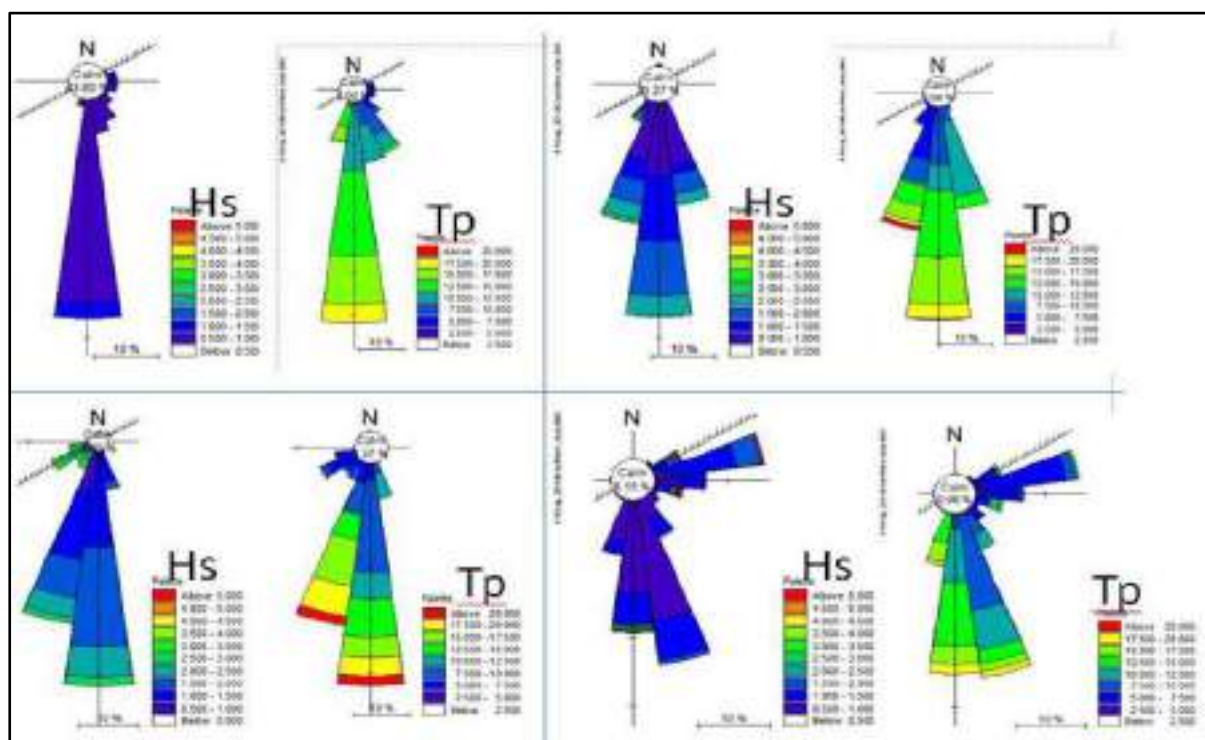
Visibility at Vishakhapatnam Port is good throughout the year as the fog is infrequent at sea in all seasons. Reduction in visibility is mostly due to heavy rainfall during the south-west monsoon. The highest monthly average duration recorded fog is 0.1 day in some months from December to May.



## 2.3.6 Waves and Currents

### 2.3.6.1 Waves

The wave rose indicating the wave direction and period for the four quarters of the year (viz. January-March; April-June; July-September & October-December) is presented in **Figure 2-5** below. From this data, it is observed that the external waves of  $H_s = 0$  to 1 m occur for about 150 days and  $H_s > 2$  m occur for about 15 days in a year.



**Figure 2-5 : Wave Rose Indicating the Wave Direction for the Four Quarters of Year**

In case of deep-water, waves from south-west direction are predominant during April to September due to south west monsoon period and north-east direction waves are predominant during November to February due to north east monsoon period and there are omni-directional waves during March to October. Highest waves occur during April to September. Waves of over 1.5 m height may be expected for 20% of the time. Wave periods of over 7 seconds may be expected 14 % of the time.

In case of shallow water, waves from south-southeast direction are predominant during March to October and during the remaining period wave direction is predominantly from east. The average wave period is between 8 to 10 seconds



### 2.3.6.2 Currents

Currents in the Bay of Bengal are seasonal and are mainly due to south-west and north-east monsoons. From February to June offshore currents flow towards the north-east and from August to December towards south-west at velocities ranging from 0.5 to 1 knot. In the vicinity of Visakhapatnam coast currents are neither related to wind nor to tides in any appreciable way. Towards north, the coast bears about 50° to the east. Hence if a wave orthogonal bearing 130° to the east the wave crest will be parallel to the coast and there will be no steady longshore current. This concludes that the determining factor for the direction of current is the direction of the predominant wave.

### 2.3.6.3 Littoral Drift

Visakhapatnam coast is subject to intense net littoral drift moving from south to north. Interception of the littoral drift by any artificial barrier causes up-coast accretion and shoaling and compensating erosion along the down-coast because of mass discontinuity of the natural littoral drift. There is a strong littoral drift of sand northwards from March to September. Maximum amount of littoral drift takes place from May to August when the waves are the higher. It is believed that the drift is largely confined to a zone within 200 m of the shore and is within the 6 m contour. The quantum of annual maintenance dredging carried out in 2019-20 was 1.91 lakh cubic meters.

## 2.4 BATHYMETRY

Visakhapatnam Port is accessible through outer channel, outer harbour basin, inner channel, inner harbour basin and northern arm. The corresponding water levels in the port are presented in the **Table 2-2** below.

**Table 2-2 : Existing drafts at Visakhapatnam port**

Sl. No.	Description	Existing Depth (w.r.t CD)
1.	Outer Channel	(-) 22 m
2.	Outer Harbour Basin	(-) 21 m
3.	Inner Channel	(-) 16.10 m
4.	Inner Harbour Basin	(-) 16.10 m





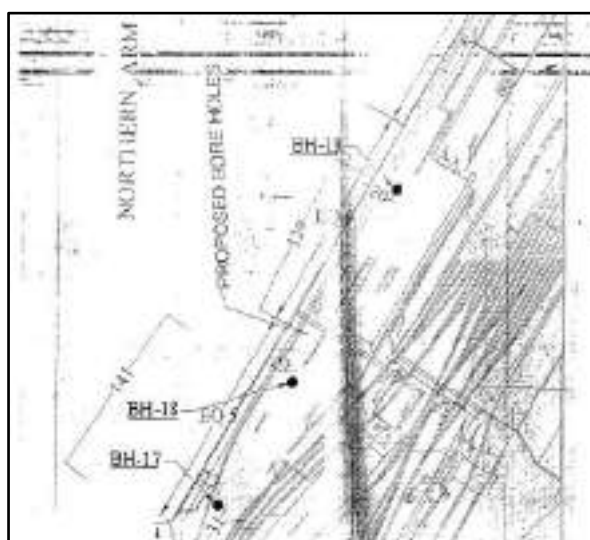
Sl. No.	Description	Existing Depth (w.r.t CD)
5.	Northern Arm	(-) 16.10 m

The depths at the berth EQ-06 are varying from (-)13 m to (-)14.5 m CD (approx.). The bathymetry of the proposed location (Berth no EQ-06) is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-03**.

## 2.5 GEO-TECHNICAL DATA

The Consultant reviewed all the primary and secondary data available for the assessment of geotechnical conditions at Berth no. EQ6. The Consultant have referred the landside borehole data from the latest geotechnical report “Strengthening of East quay berths EQ-5 and EQ-06 berth for operation of Mobile cranes (LHM-500) (2012)” for the geotechnical assessment of Berth no. EQ-06

From the above report it has become apparent that borehole numbers BH-17, BH-18 and BH-19 are the nearest boreholes for berth no. EQ-06 on the landside and the same has been considered for the assessment of structures. The location of boreholes BH-17, BH-18 and BH-19 are shown in the **Figure 2-6** below.



**Figure 2-6 : Extract of Report presenting Borehole Locations near EQ-06**

From boreholes BH-17, BH-18 and BH-19, it is understood that the soil present at the location is primarily dense to medium dense of yellowish and brownish sand. The details pertaining to borehole BH-17, BH\_18 and BH-19 are given in **Table 2-3** below.



**Table 2-3 : Summary of geotechnical investigations**

Sl No.	Borehole Name	Location of Borehole from berth face	Existing Ground level	Existing Water Level	Type of soil
<b>1</b>	Bore hole 17 (BH-17)	23m on Landside	3.380 m	1.780 m	Large portion of medium to dense brownish and yellowish sand and small portion of stiff silty clay.
<b>2</b>	Bore hole 18 (BH-18)	23m on Landside	3.520m	1.920 m	Medium to dense brownish and yellowish sand with gravel
<b>3</b>	Bore hole 19 (BH-19)	20m on Landside	3.485 m	1.785 m	Larger portion of loose to dense greyish and yellowish sand and very small portion of medium stiff marine clay

## **2.6 HINTERLAND CONNECTIVITY**

Port of Visakhapatnam is well connected by the road, rail and air from all part of country. Further, the below section explains on the different mode of transportation for Visakhapatnam port.

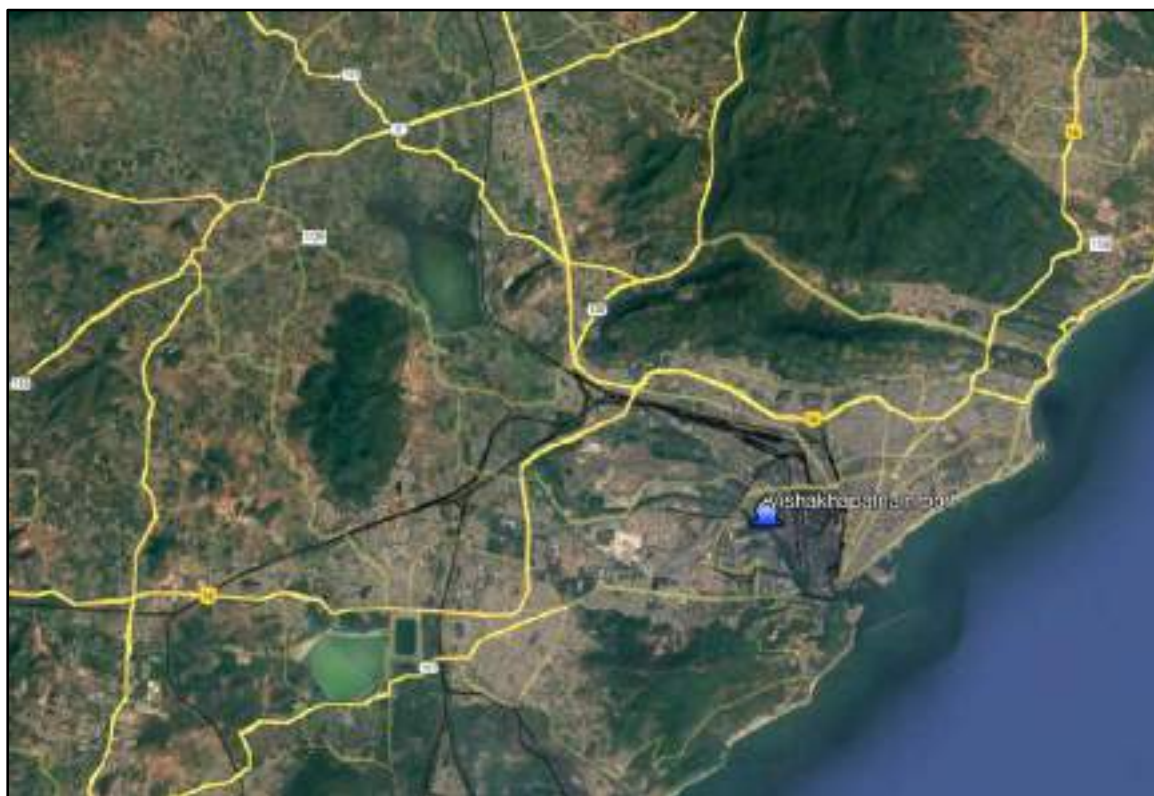
### **2.6.1 Road Connectivity**

National Highway -16 (formerly called as NH-5), which is part of the “Golden Quadrilateral” skirts Visakhapatnam Port in an arc with the closest at about 12 km distance. On the southern side it connects to Tamil Nadu, Kerala, Karnataka, East & West Godavari Districts of Andhra Pradesh. On the northern side it connects to Odisha, Madhya Pradesh, Bihar, Uttar Pradesh, Jharkhand and West Bengal.



The Port is connected to National Highway -16 (formerly called as NH-5) by a four-lane link road of 12 kms developed and maintained by a SPV constituted by NHAI as a JV with VPA.

Road connectivity to VPA is presented in **Figure 2-7**.



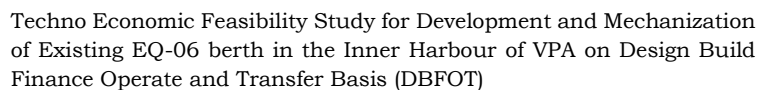
**Figure 2-7 : Road connectivity to Vishakhapatnam Port**

For the northern connectivity, the traffic from/to Visakhapatnam Port has to pass through the Convent Junction and for southern connectivity; the traffic has to pass through the Dockyard Junction. The Convent Junction is connected to NH-16 through (1) Gyanapuram Road as well as (2) Tadchettapalem Road. The Dockyard Junction is connected to NH-16 through (3) Industrial Bypass as well (4) New Gajuwaka Road.

### **2.6.2 Rail Connectivity**

Traffic of 32.13 million tonnes was moved by Port railways in the year 2019-20 which accounts for over 44.2% of the total traffic of VPA.

The Port is also well connected with the Indian railways network directly through the Waltair Railway Marshalling Yard to Chennai-Howrah Main line of East Coast. This



The Port has an internal rail network connecting the berths handling bulk and container cargo. This railway network has a length of over 200 km with more than 30 sidings and is operated by VPA. The rail network at Port has two systems viz., iron ore (mechanical tipping) and general (other than iron ore mechanical), for handling food grains, fertilizers, thermal coal, steel products, coking coal, iron ore (manual unloading) and other mineral ores, POL products etc.

The nearest airport to the VPA is Visakhapatnam International Airport, which is located at a distance of 24 kms.



# **CHAPTER 3**

## **EXISTING FACILITIES**



## **CHAPTER 3**

### **EXISTING FACILITIES**

#### **3.1 INTRODUCTION**

VPA, one among the thirteen Major Ports of India, is an all-weather natural Port and the fastest growing maritime gateway to the peninsular India.

The EQ-06 berth of VPA is one of the multi-cargo handling berths. The berth is handling various types of dry bulk, break bulk and liquid cargoes up to 1.2 MTPA. The berth originally constructed with monolithic type concrete structure whereas, during the recent upgradation which took place in year 2012 – RCC pile-deck structure were added to increase the width of berth apron.

This chapter provides the details regarding existing facility, berth infrastructure, furniture and structural details of berth no EQ-06.

#### **3.2 MARINE SIDE FACILITIES**

##### **3.2.1 Approach Channel**

The outer harbour is accessed through an approach channel which is 3.1km long; 200m wide and 22m deep. This channel is up to the Dolphin's nose light house.

The inner harbour is accessed through an extension of the approach channel which is 1.1km long (from Dolphin's nose light house); the width varies from a minimum of 111m to 168m and is 16.1m deep.

##### **3.2.2 Turning Circle**

The outer harbour is an artificial harbour with a total water spread of 200 hectares. The outer turning circle has diameter of 610m with dredged depth of (-) 21 m C.D. Compared to outer turning circle, Inner turning circle has diameter of 366m with dredge depth of (-) 16.1m C.D.

##### **3.2.3 Tugs and Watercraft**

VPA owns 3 Nos. tug boats (bollard pull of 50 Ton each). Along with these tugs, it has also hired 3 Nos. of tug boats with BP of 65T, 60T and 50T for port operations. Port also owns 10 launches and has hired one more for various operations like pilot transfers, survey, mooring, oil pollution control etc. Moreover, Port also operates two



floating cranes, a dredger and dumb barge, a fire float and a high-speed boat for CSIF.

### 3.2.4 Pilotage

Pilotage is compulsory both for inward and outward movement of ships and for movement of ships between berths and moorings within the harbour. Pilotage services are provided round the-clock, with prior advice to the Harbour Master of the Port. The permissible vessel dimensions are given in **Table 3-1** below.

**Table 3-1 : Permissible Vessel Dimensions from Pilotage Perspective**

Inner Harbour	Vessel Size	Beam	Draft	Tide
Day – Arrivals	Handy max	38	14.5	0.5
Day – Departures	Panamax	38	14.5	0.5
Night Arrivals	Handy max	32.50	14.5	---
Night Departures	Panamax	32.50	14.5	---

- Inner harbor – Day light: Vessels of LOA above 195m. or beam more than 32m. are handled by two pilots (refer **Figure 3-1 below**).
- Inner harbor - Night Navigation: Vessels > 200m. LOA, maximum permissible draught in dark hours is 14.0 meters.



**Figure 3-1 : Vessel Being Pilotaed at VPA**



Vessels with higher draft will be permitted considering suitable tide on case-to-case basis. Berthing/de-berthing of feeder vessels from alongside mother vessels is handled by two Pilot boats.

#### *Pilotage movements:*

The total pilotage movements for the year 2019-20 are as presented in **Table 3-2** below.

**Table 3-2 : Total Pilotage Movement at VPA for year 2019-20**

Description	Arrivals	Departure	Shifting's	Total
<b>Inner Harbour</b>	945	918	3086	4949

### **3.2.5 Berthing Facilities**

#### **3.2.5.1 Berth Length**

Originally the length of EQ-06 berth was 167.6m. At later stage, with an objective provide a continues quay for multipurpose terminal to cater to fully laden Panamax vessels of 14.5m draft; berth EQ-02 to EQ-04, some section of berth EQ-05 were merged to make it 560m as shown in **Figure 3-2** below.



**Figure 3-2 : Upgradation of the Berth EQ-02 to EQ-05**

Further to upgradation of Berth EQ-02 - EQ-05, part of EQ-05 was merged to EQ-02 - EQ-05 while remaining part was integrated with EQ-06 thereby increasing the berth length of EQ-06 to 280m. Out of this 280m, 255m of the berth length will be developed as EQ-06 and remaining 25m length will be integrated into EQ-07.

Hence, the new length of berth EQ-06 will be 255m (112.4m of EQ-05 berth and 142.6 m of EQ-06).

#### **3.2.5.2 Draft at berth**

The berth EQ-06 was originally built with a dredged depth of (-)10.50m CD. Later on in year 2012, the dredged depth at berth was increased to (-)12.1m CD.



### 3.2.5.3 Berth Structure

From the data collected, it is understood that the existing EQ-06 berth located in the eastern part of inner harbour was originally constructed in 1966 and are of monolithic type structure, thus it is evident that the structure has outlived its useful life<sup>1</sup>.

The berth EQ-06 underwent structural upgradation in year 2012, to cater for the movement of 100 Ton mobile harbour crane, for a width of 16m. Accordingly, the arrangement consists of two rows of pile at 4.0m c/c at 2.212m away from the edge of the existing monolith. Longitudinal spacing of piles at 2.975m c/c. No cross beams are provided but a deck slab of 1000mm thick is provided. A retaining beam is provided to resist lateral earth pressure.

The berth EQ-06 was initially upgraded to handle 15T electrically operated wharf crane during first series of upgradation in Year 1998.

While, the berth was further upgraded to handle 100T mobile harbour crane (MHC) in year 2012 a RCC pile deck supported on two rows of 750mm pile was constructed having a width of 7.256m. The structural details of berth EQ-06 is presented in **Figure 3-3** below.

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<sup>1</sup> Source: The design life of marine structures are considered as 50 years based on the various codal provisions as well as guidelines of Ministry of Shipping.



**Figure 3-4 : Berth EQ-06 -Site Visit Photos**

#### 3.2.5.4 Berth Furniture

From the data collected, it is understood that the existing EQ-06 berth having 100T capacity bollard and supreme 800H M-Type rubber fender. The bollard and M-type fender is as shown in **Figure 3-5** below.





**Figure 3-5 : EQ-06 Berth Fender & Bollard details**

#### **3.2.5.5 Equipment at Berth**

The berth EQ-06 has rails installed for the movement of rail mounted quay cranes. The berth is currently installed with 04 no. of Rail Mounted Quay Crane as shown in **Figure 3-6** below. However, the cranes have completed their design life and shall be scrapped as per Port officials. Hence, the new equipment will be proposed based on the traffic requirements.



**Figure 3-6 : 15T Capacity RMQC at Berth EQ-06**

The summary of berth geometry and associated infrastructure of EQ-06 is presented in **Table 3-3** below.

**Table 3-3 : Berth EQ-06 Details**



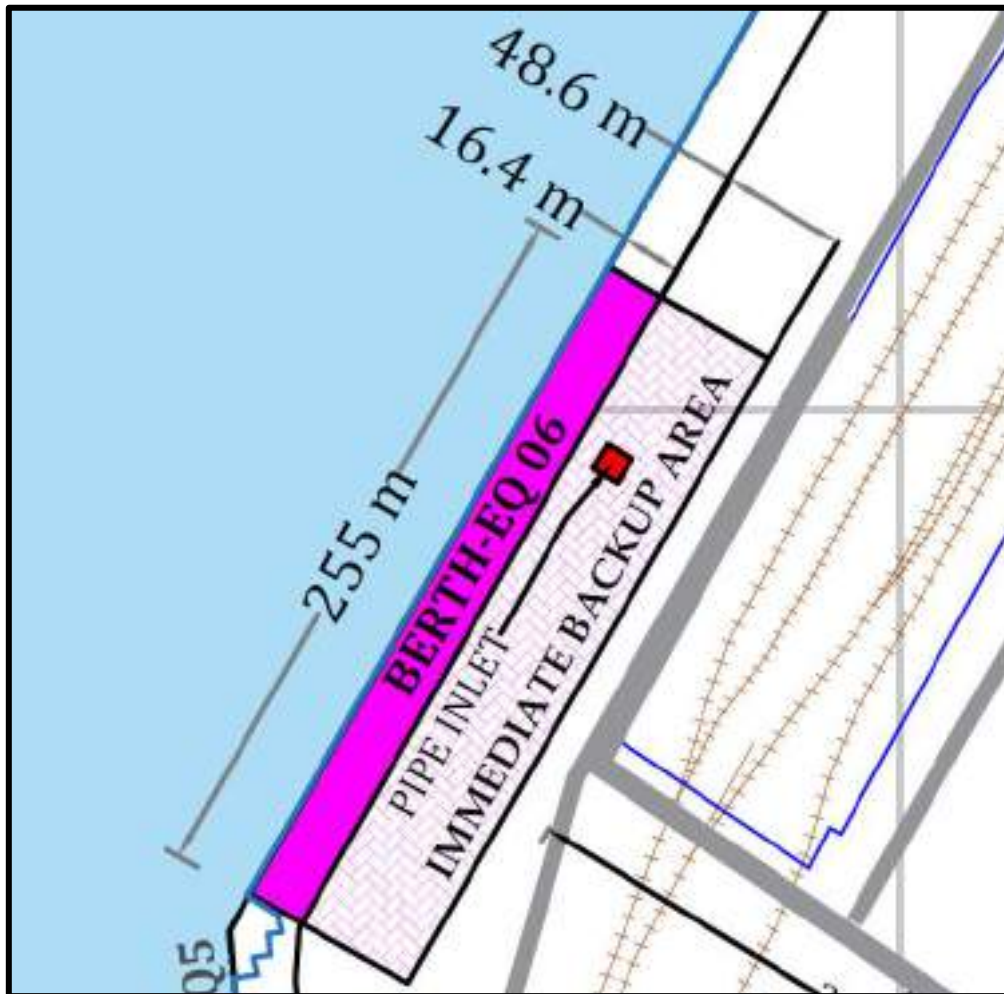
Sr. No.	Particulars	Details
<b>1</b>	Berth Length	255 m
<b>2</b>	Width of Berth	16.40 m
<b>3</b>	Structural Type	Combination of monolithic and RCC deck type structure wherein: <ul style="list-style-type: none"> <li>Seaside structure is monolithic in nature having width of 9.144 m followed by 2 rows of 750mm diameter RCC piled deck structure with width of 7.256 m thus, total width = 16.40 m.</li> </ul>
<b>4</b>	Berth Infrastructure/ Furniture	
<b>4.1</b>	Fenders	M Type 800H rubber fenders
<b>e</b>	Bollards	100 T capacity bollard
<b>4.3</b>	Expansion Joints	<ul style="list-style-type: none"> <li>25mm longitudinal expansion joint in between Monolith and deck on piled structure.</li> <li>25mm transverse expansion joint in deck on piled structure.</li> </ul>
<b>5</b>	Other Details	
<b>5.1</b>	Deck top Level	(+) 3.65m CD
<b>5.2</b>	Dredged Depth	(-) 12.1m CD

### 3.3 LAND SIDE FACILITIES

#### 3.3.1 Immediate Backup Area

EQ-06 berth is currently handling coal, fertilisers, limestone, other dry bulk, break bulk and non-hazardous liquid cargo. Immediate back up area of 255m length and 48.5m width is available. The backyard is provided with hard stand (Cement Concrete Paver blocks). The immediate back up area is well connected with paved roads. The **Figure 3-7** below provides the details pertaining to Berth EQ-06 and immediate backup area available for cargo handling operations.





**Figure 3-7 : Immediate Backup Area**

For shore clearance, dumpers and pay loaders are used for bulk cargoes while mobile cranes are used for steel cargo. The **Figure 3-8** below provides the operations being followed on Berth EQ-02 to EQ-05 during site visit.



**Figure 3-8 : Dry Bulk Cargo Operations**

For liquid products (Caustic soda), cargo transfer is being carried out through 8" or 6" SS flexible hoses with an average discharge rate of 200 TPH.

One of the pipelines is connected to two no. of 10,000 tonnes liquid storage tank which belongs to Coromandel Industries Ltd. while the other is owned by IMC ltd. The Coromandel liquid storage tank farms are as shown in **Figure 3-9** below.



**Figure 3-9 : Coromandel Liquid Storage Tank farm**



### 3.3.2 Backup Yard

Berth EQ-06 is currently handling multiple cargoes however in smaller quantum. The berth handled over 20+ different cargoes of majorly three different categories. Based on the site visits and discussion with various stakeholders, it was found that there is no dedicated backup yard currently being provided for Berth EQ-06.

The cargoes which are being handled at berth EQ-06 is transferred to multiple yards in the vicinity of the berth which either belongs to importing agencies themselves or to any existing third party.

### 3.3.3 Utilities

#### 3.3.3.1 Electric Power Supply

Based on the statistics for Year 2019-20, Port operations has consumed around 82.44 lakh units in Year 2019-20 which is a substantial reduction compared against 177.72 lakh units consumed in Year 2017-18.

Port has achieved self-sufficiency in generating the required energy by commissioning 10 MW utility scale Solar Photovoltaic Power Plant with an expected power generation of about 178 lakh units per annum. Installed 770 KW Solar power plants on rooftop spaces of Golden Jubilee Hospital and other operational buildings in RESCO model. Solar energy is being utilized for the purpose of lighting in some of the port areas on trial basis.

LT electricity supply is available from VPA network at the rates defined by Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL)

#### 3.3.3.2 Water Supply

The sources of water supply along with consumption statistics are shown in **Table 3-4** below.

**Table 3-4 : Water Supply and Consumption Statistics at VPA**

Sr. No.	Source of Water	Supplied to		Ports Consumption	Total
		Ships	Others		
<b>1</b>	Greater Visakhapatnam Municipal Corporation, VSP	---	3.85	7.84	11.69
<b>2</b>	VPA own sources				
<b>2.1</b>	Santhametta Reservoir	2.08	1.00	0.24	3.32
<b>2.2</b>	Lova Gardens	0.87	1.08	0.23	2.18
<b>2.3</b>	Open wells at Salagrama Puram	---	---	1.12	1.12



Sr. No.	Source of Water	Supplied to		Ports Consumption	Total
		Ships	Others		
	Housing Colony, CISF Colony, Sports & Cultural complex				
	Total	2.95	5.93	9.43	18.31

(All units in Lakh KL)

The existing utilities near Berth EQ-06 are presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-4**.

### 3.3.4 Connectivity Infrastructure

The Port is well connected to hinterland as explained in Chapter 2. The individual descriptive assessment of internal road and rail connectivity is provided below.

#### 3.3.4.1 Road connectivity

The total road network within the Port limits is about 85 km of which 23.5 km is available within the operational area connecting the entire stacking areas for free movement of vehicles. The road connectivity to eastern berths is presented in **Figure 3-10** below.



**Figure 3-10 : Internal Road Connectivity to Eastern Berths**

#### 3.3.4.2 Internal Rail Connectivity and Associated Infrastructure

Railway network at VPA is the largest amongst Indian Ports with over 200km rail length, over 30 Sidings and ~60% rail coefficient as shown in **Figure 3-11** below. The Port has a close interface with Waltair Division of East Coast Railways which facilitates quick transportation of EXIM cargo from/to all the States in the Country and at time to Pakistan and Bangladesh also. The Port is equipped with 15 WDS-6





locos of 1400 HP and 3 WDG-3 locos of 3100 HP capacity for carrying train operations.



**Figure 3-11 : VPA Internal Rail Yard and Connectivity**

The rail network at Port has two systems viz., iron ore (Mechanical Tippling) and general (other than Iron ore Mechanical), for handling food grains, fertilizers, thermal coal, steel products, coking coal, Iron Ore (manual unloading) & other mineral ores, POL products etc.

### 3.4 PAST PORT PERFORMANCE

In order to improve the efficiency of the Port, it is imperative to assess the past performance. The three main parameters which were used to evaluate the port performance are Turn Round Time (TRT), Pre-Berthing Detention (PBD) and Output per Ship Berth-Day (OSBD).

The **Table 3-5** enlists the commodity wise performance of the port for the previous 3 years.

**Table 3-5 : Last 3 years Port Performance**

Commodity	2017-18			2018-19			2019-20		
	PBD	TRT	OSBD	PBD	TRT	OSBD	PBD	TRT	OSBD
Dry Bulk Mechanical	0.11	2.79	25542	0.06	2.89	24034	0.06	2.64	26333
Cry Bulk Conventional	0.1	3.97	9184	0.06	4.01	8810	0.06	3.95	8863



Commodity	2017-18			2018-19			2019-20		
	PBD	TRT	OSBD	PBD	TRT	OSBD	PBD	TRT	OSBD
Liquid Bulk	0.11	1.72	17254	0.05	1.58	16698	0.04	1.79	16631
Break Bulk	0.13	4.2	2644	0.05	4.18	2737	0.09	4.15	2354
Containers	0.05	1.1	22405	0.04	1.08	27728	0.04	0.97	30697
Overall	0.1	2.58	13528	0.05	2.51	13790	0.05	2.46	14901

It can be observed that all the performance parameters of the port have improved over the last three years. The Overall pre berthing detention time has improved by fifty percentage from 0.1 days to 0.05 days. Similarly, the Overall TRT has dropped by modest 4.65 % to 2.46 days from 2.58 days. The Output per ship berth-day highlights the material handling operation performance at the berth. The overall output per ship berth-day has improved from 13,258 Tonnes to 14,901 Tonnes.

# **CHAPTER 4**

## **TRAFFIC DEMANDS AND FORECAST**



## CHAPTER 4

### TRAFFIC DEMAND ASSESSMENT AND FORECAST

#### 4.1 INTRODUCTION

Berth EQ-06 is in operations since 1966 primarily as a multi-cargo berth and is currently equipped with four 20 tonne capacity Rail Mounted Quay Cranes (RMQCs). The Berth handled around 1.19 MMT in year 2020-21 with peak traffic of around 1.36 MMT in year 2018-19 based on the traffic data assessment for last 6 years.

The Berth EQ-06 was initially of 167.64m length which has been increased to around 255m due to upgradation of Berth EQ-02 to EQ-05. However, the dredged depth for berth EQ-06 is still maintained at 12.1m.

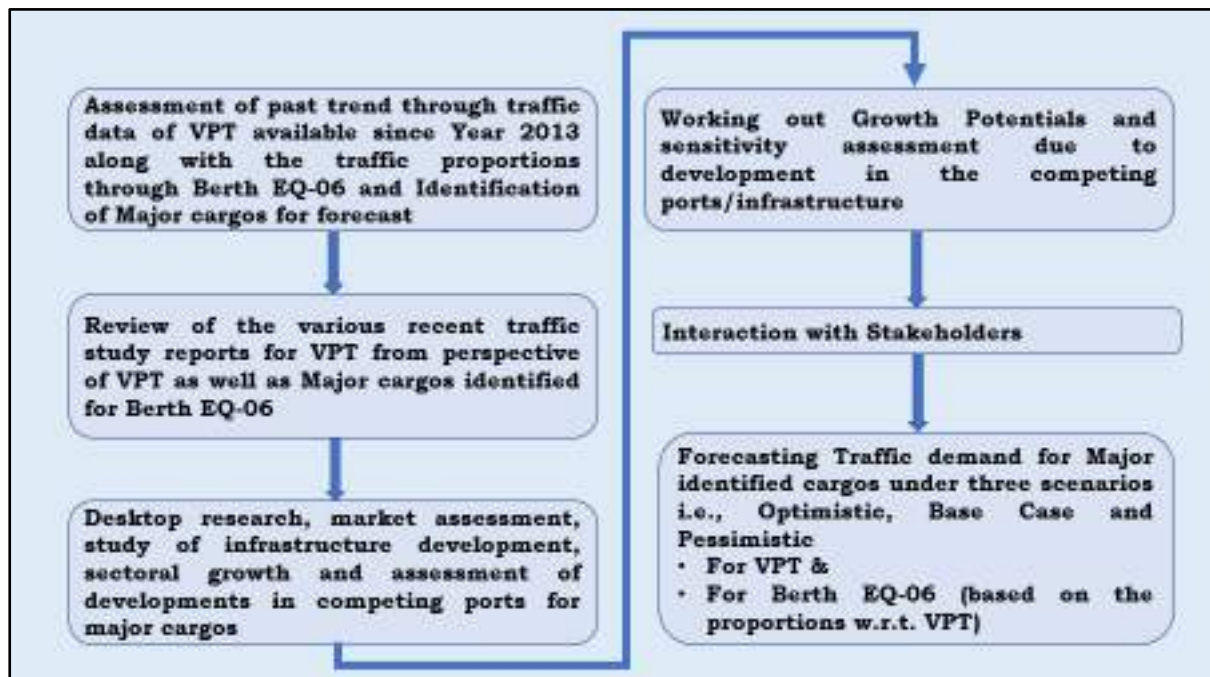
The objective of the current traffic study is to evaluate the traffic potential through Berth EQ-06 based on the following aspects:

- Berth EQ-06 will act as a multi cargo berth and may not handle coal and finished fertilizers in future
- The traffic needs to be assessed based on draft restriction

#### 4.2 APPROACH AND METHODOLOGY

The approach followed in order to assess the traffic potential through Berth EQ-06 is as presented in **Figure 4-1** below.





**Figure 4-1 : Approach Followed for Traffic Demand and Forecast**

### **4.3 TRAFFIC ASSESSMENT AT VISHAKHAPATNAM PORT**

Port of Visakhapatnam ranked 3rd among Major Ports and 2nd on the East Coast in terms of traffic handled based on traffic statistics for Yr 2019-20.

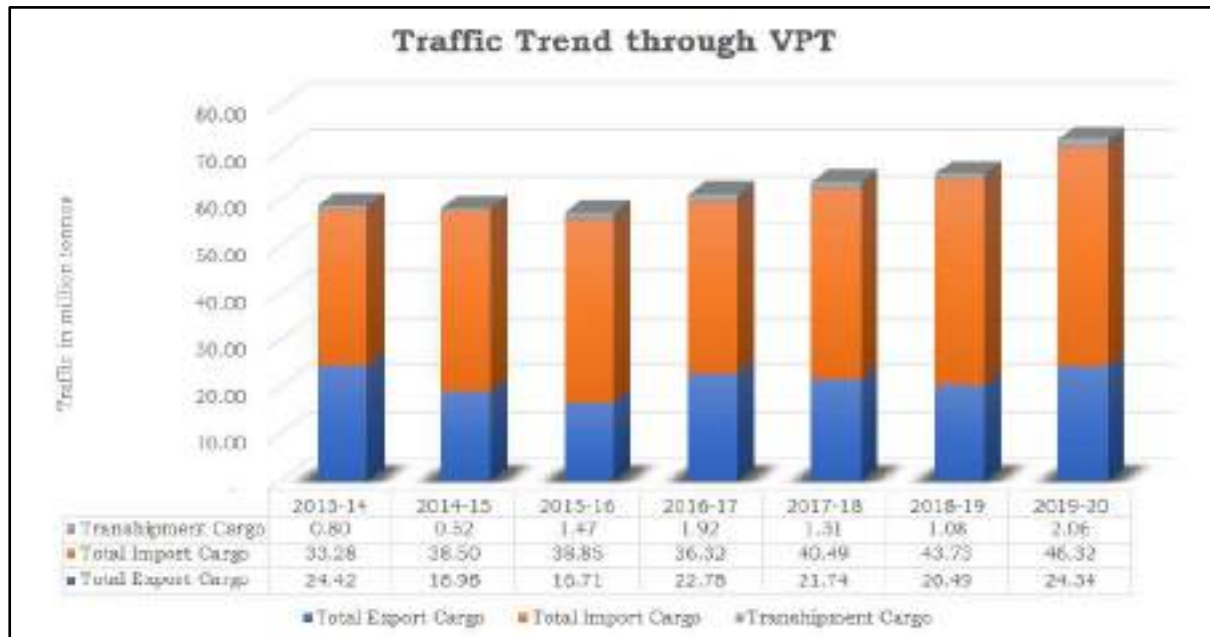
VPA experienced a positive growth in terms of total cargo throughput from year 2015-16 until year 2019-20 growing from 57.03 million tonnes in year 2015-16 to around 72.72 million tonnes in year 2019-20 experiencing CAGR of 6.3%. However, the Port experienced a nominal reduction in overall traffic at 69.84 million tonnes in year 2020-21 which is around 4% lower than preceding year. The past traffic data for VPA is presented in **Table 4-1** below.



**Table 4-1 : Traffic Handled at VPA**

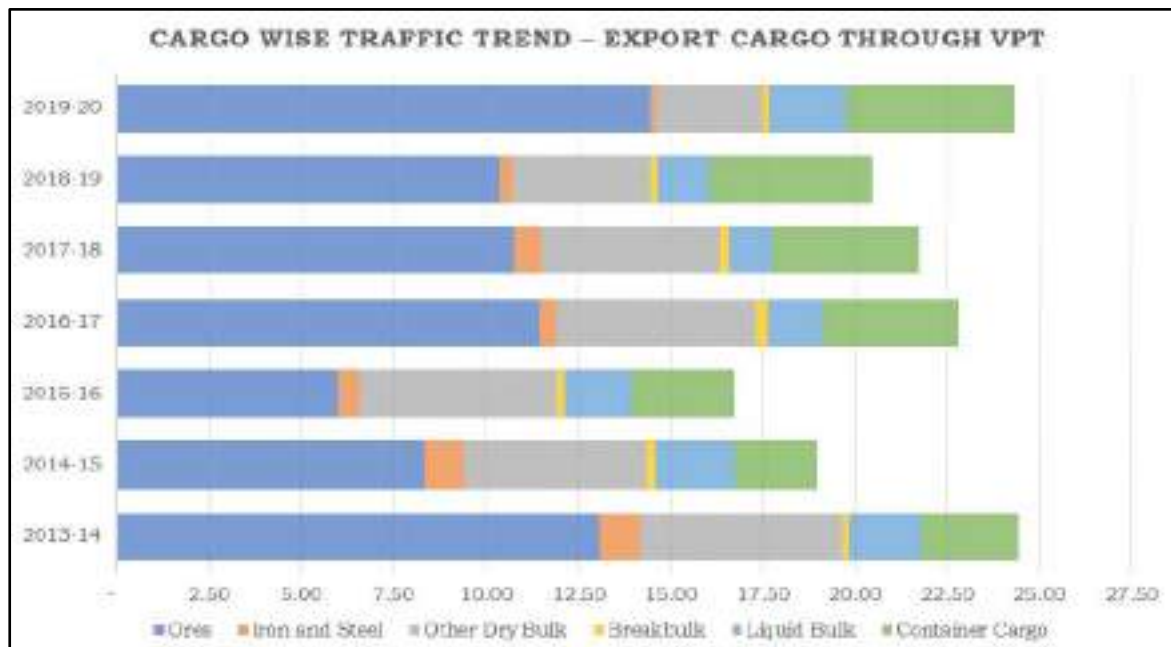
Sr. No.	Commodity	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
		Traffic in million tonnes						
<b>A</b>	<b>Export Cargo</b>							
<b>1</b>	Ores	13.08	8.33	6.00	11.43	10.74	10.37	14.47
<b>2</b>	Iron and Steel	1.07	1.06	0.54	0.51	0.72	0.32	0.13
<b>3</b>	Other Dry Bulk	5.52	4.98	5.40	5.36	4.88	3.79	2.87
<b>4</b>	Breakbulk	0.17	0.22	0.20	0.32	0.22	0.19	0.19
<b>5</b>	Liquid Bulk	1.96	2.13	1.80	1.49	1.20	1.41	2.12
<b>6</b>	Container Cargo	2.62	2.28	2.78	3.67	3.98	4.42	4.56
<b>Total Export Cargo</b>		<b>24.42</b>	<b>18.98</b>	<b>16.71</b>	<b>22.78</b>	<b>21.74</b>	<b>20.49</b>	<b>24.34</b>
<b>B</b>	<b>Import Cargo</b>							
<b>1</b>	Finished Fertilizers and Fertilizer Raw Materials	2.57	2.47	2.61	2.35	2.71	2.85	2.71
<b>1.1</b>	<i>Urea</i>	0.93	0.70	0.67	0.55	0.67	0.87	0.72
<b>1.2</b>	<i>Di-ammonium Phosphate</i>	0.36	0.32	0.56	0.38	0.43	0.47	0.59
<b>1.3</b>	<i>Murat of Potash</i>	0.39	0.59	0.46	0.47	0.34	0.38	0.25
<b>1.4</b>	<i>Rock Phosphate</i>	0.61	0.58	0.63	0.62	0.76	0.83	0.77
<b>2</b>	<i>Other Dry Bulk</i>	15.20	19.81	17.93	15.73	19.05	21.26	22.38
<b>2.1</b>	<i>Limestone</i>	0.66	0.30	0.33	0.53	0.58	0.81	0.92
<b>2.2</b>	<i>Anthracite Coal</i>	0.09	0.08	0.05	0.10	0.17	0.21	0.26
<b>2.3</b>	<i>Manganese Ore</i>	0.92	1.33	0.92	1.03	2.09	1.62	1.66
<b>3</b>	<i>Other General Cargo</i>	0.40	0.41	0.35	0.37	0.21	0.31	0.28
<b>3.1</b>	<i>Ammonium Nitrate Bags</i>	0.05	0.09	0.19	0.31	0.16	0.26	0.25
<b>4</b>	Crude and POL (Incl. LPG)	11.41	12.12	13.81	13.34	13.72	14.03	14.89
<b>5</b>	Other Liquid Cargo	1.41	1.60	1.78	1.77	1.95	1.75	1.99
<b>6</b>	Container Cargo	2.30	2.10	2.37	2.76	2.86	3.54	4.09
<b>Total Import Cargo</b>		<b>33.28</b>	<b>38.50</b>	<b>38.85</b>	<b>36.32</b>	<b>40.49</b>	<b>43.73</b>	<b>46.32</b>
<b>C</b>	<b>Transshipment Cargo</b>	0.80	0.52	1.47	1.92	1.31	1.08	2.06
<b>Total VPA Traffic</b>		<b>58.50</b>	<b>58.00</b>	<b>57.03</b>	<b>61.02</b>	<b>63.54</b>	<b>65.30</b>	<b>72.72</b>

The historical trend of cumulative import and export traffic through VPA is as presented in the **Figure 4-2** below. It is observed that import has grown at CAGR of 5.67% while export remain stagnant in last 6 years.



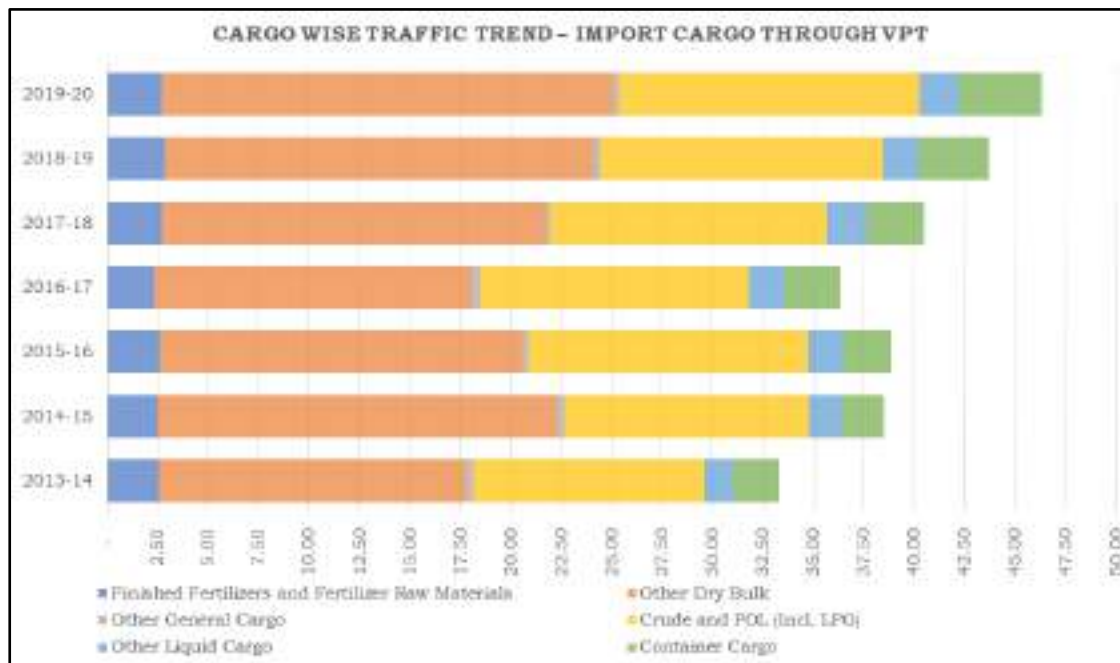
**Figure 4-2 : Traffic Trend through VPA**

Whereas, the cargo wise traffic trend towards Export and Import cargo is presented in **Figure 4-3** & **Figure 4-4** below.



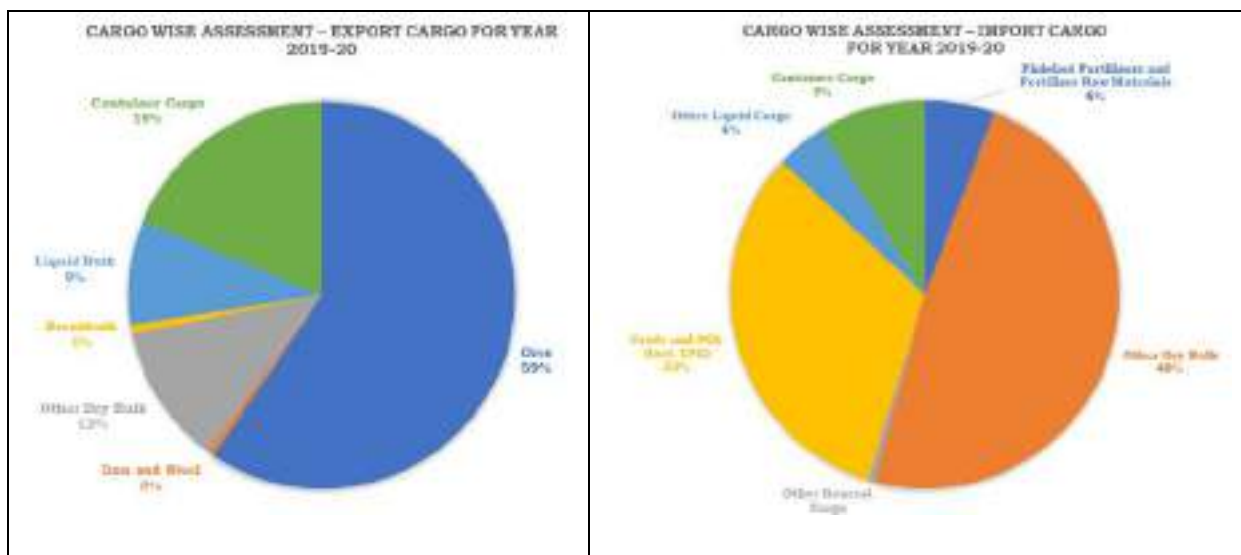
**Figure 4-3 : Caegowise Traffic Trend Assessment – Export Cargo**

Based on the figure above it is observed that proportion of ores through VPA has increased after experiencing the drop in the traffic for some years, however other dry bulk and iron and steel has experienced a marginal decrease over the time.



**Figure 4-4 : Caegowise Traffic Trend Assessment – Import Cargo**

The **Figure 4-5** below provides the cargo wise assessment in exports and imports for Yr 2019-20.



**Figure 4-5 : Export and Import Cargo Trend Assessment for Yr 2019-20**

It is seen that Ores account for 59% of the total export in Yr 2019-20; while other dry bulk and crude cum POL cargo accounted for 48% and 32% respectively among import cargoes through VPA.



#### 4.4 IDENTIFICATION OF CARGOS FOR BERTH EQ-06

The berth EQ-06 is a multi-cargo berth currently handling wide variety of the cargos as presented in **Table 4-2** below.

**Table 4-2 : Traffic Trend through Berth EQ-06**

Sr No	Commodity	Cargo Traffic (in Tonnes)				
		2015-16	2016-17	2017-18	2018-19	2019-20
		Traffic in Tonnes				
<b>A</b>	<b>Import</b>					
<b>I</b>	<b>Dry Bulk (Conventional)</b>					
1	Alumina	-	-	-	-	30,982
2	Anthracite coal	-	-	-	11,000	6,675
3	C. P. Coke	-	-	-	19,850	-
4	Coking Coal	25,117	-	-	-	-
5	Di-ammonium Phosphate (DAP)	-	35,971	1,11,342	91,155	-
6	Ammonium Sulphate	-	22,438	35,850	-	-
7	Rock Phosphate	NA	3,489	3,489	20,100	NA
8	Fertilisers (Dry)	50,288	-	77,016	-	1,01,646
9	Fertilizers (Finished)	21,087	-	-	-	3,30,892
10	Urea	-	15,827	1,98,035	3,13,685	-
11	Murate of Potash (MoP)	-	53,393	48,557	56,022	-
12	Sulphur	-	-	23,001	73,310	-
13	NPS	-	-	2,976	-	-
14	NPK	-	-	-	43,905	-
15	Total Fertilizer Cargo	71,375	1,31,118	5,00,266	5,98,177	4,32,538
16	Bauxite	-	65,524	-	-	-
17	Peas	9,050	10,000	20,000	-	-
18	Gypsum	-	28,500	-	-	-
19	Iron Ore	10,323	-	-	-	-
20	LAM Coke	--	--	11,431	7,920	--
21	Limestone	31,880	18,000	47,200	33,238	--
22	Manganese Ore	27,915	76,000	73,801	---	--
23	Nut Coke	0	-	---	4,000	--
24	Pet Coke	--	27,138	43,470	---	1,51,194
25	Salt	-	39,772	20,708	-	-
26	Soda Ash	NA	NA	NA	11,001	--
27	Sunflower Meal-bulk	NA	NA	NA	NA	25,352
28	Wheat Bulk		33,000	-	NA	NA
<b>II</b>	<b>Liquid Bulk</b>					
1	Bio-Diesel	31,898	4,198	---	---	--
2	Caustic Soda	4,24,234	3,70,299	58,652	1,49,372	67,826
3	Phos. Acid	98,481	94,995	85,766	1,00,460	26,572
4	POL	--	--	---	20,700	--



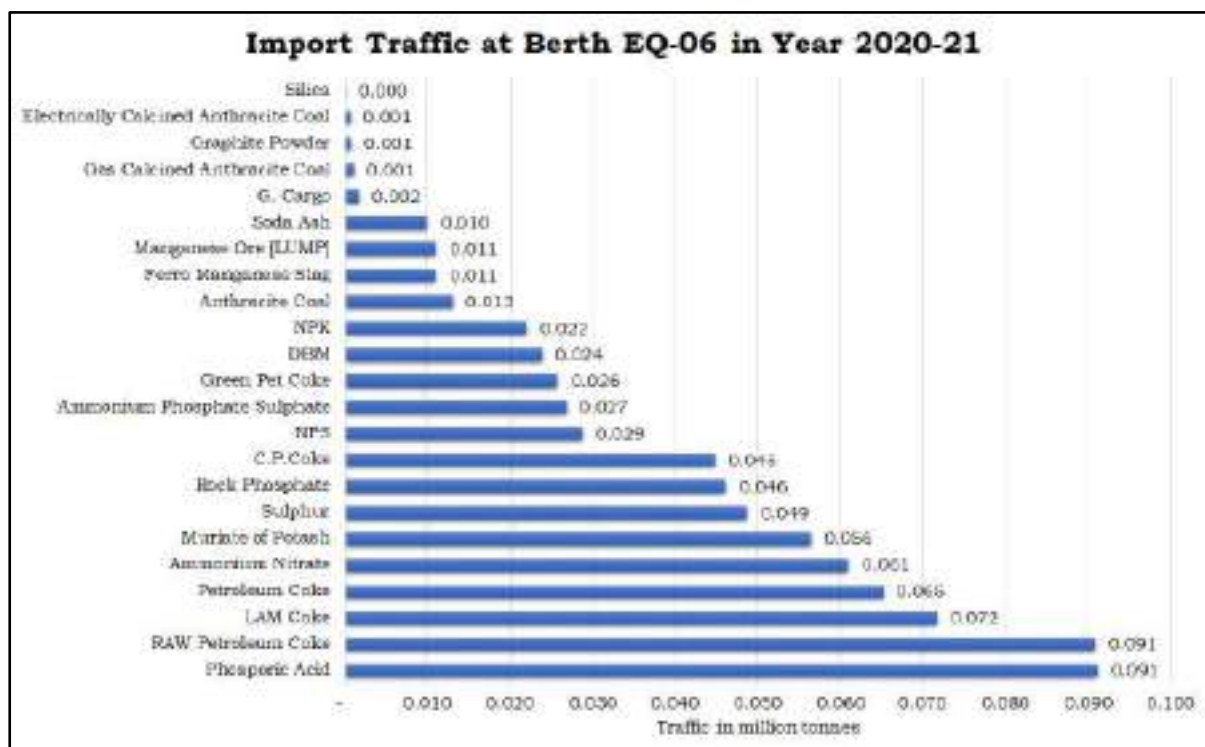
Sr No	Commodity	Cargo Traffic (in Tonnes)				
		2015-16	2016-17	2017-18	2018-19	2019-20
<b>III</b>	<b>Break Bulk</b>					
1	Fertilizers (Finished)	25,696	78,346	84,454	87,423	1,77,619
2	General Cargo	222	593	---	821	347
3	Project Cargo	4,436	12,132	6,281	5,341	2,021
4	Steel	4,363	1,037	---	---	-
	<b>Imports Grand Total</b>	7,64,990	9,90,652	9,52,029	10,49,303	9,21,126
<b>B</b>	<b>Export</b>					
<b>I</b>	<b>Dry Bulk (Conventional)</b>					
1	B. F. Slag		--	11,000	10,810	--
2	Alumina	18,234				
3	C. P. Coke	50,500	69,273	60,681	1,17,949	1,06,100
4	Coking Coal			--		24,350
5	Copper Concentrates			--		10,010
6	Fly Ash			--		--
7	Iron Ore			22,900		-
8	Iron Pellets			--		--
9	Manganese Ore			17,519	14,686	12,525
10	Stone Aggregate			15,920	40,000	1,08,718
11	Thermal Coal			--	-	--
12	Illuminate Sand	40,801	49,181	1,05,000	12,500	
13	Petroleum Coke	-	-	-	14,600	
<b>II</b>	<b>Liquid Bulk</b>					
1	Bio-Diesel	36,908	6,770	--	--	--
2	Bitumen			--		36
<b>III</b>	<b>Break Bulk</b>					
1	Alumina (Ingots)		20,002	18,475	-	7,873
2	Alumina (Bags)		31,500		31,499	
3	Cement Bags		--	--	-	4,603
4	Fabrics		--	--	-	42
5	Fly Ash Bricks		--	--	-	43
6	General Cargo		--		-	53
7	Granite Blocks	5,454	3,932	2,979	-	2,319
8	Project Cargo		--	--	-	15
9	Steel		14,587	39,867	15,170	3,210
10	Rice	3,470	3,556		2,200	
11	Wheat	2,377	1,656			
12	Maize				27,500	
13	Pig Iron				27,000	
	<b>Exports Grand Total</b>	1,57,744	2,00,457	2,94,341	3,13,914	2,79,897
	<b>Grand Total</b>	<b>9,22,734</b>	<b>11,91,109</b>	<b>12,46,370</b>	<b>13,63,217</b>	<b>12,01,023</b>

Berth EQ-06 is a multi-cargo handling berth and based on the assessment of past 6 years traffic, over 50 varieties of the cargoes is being handled at this berth. Taking into consideration the higher the variety of the cargoes, larger will be the dynamics

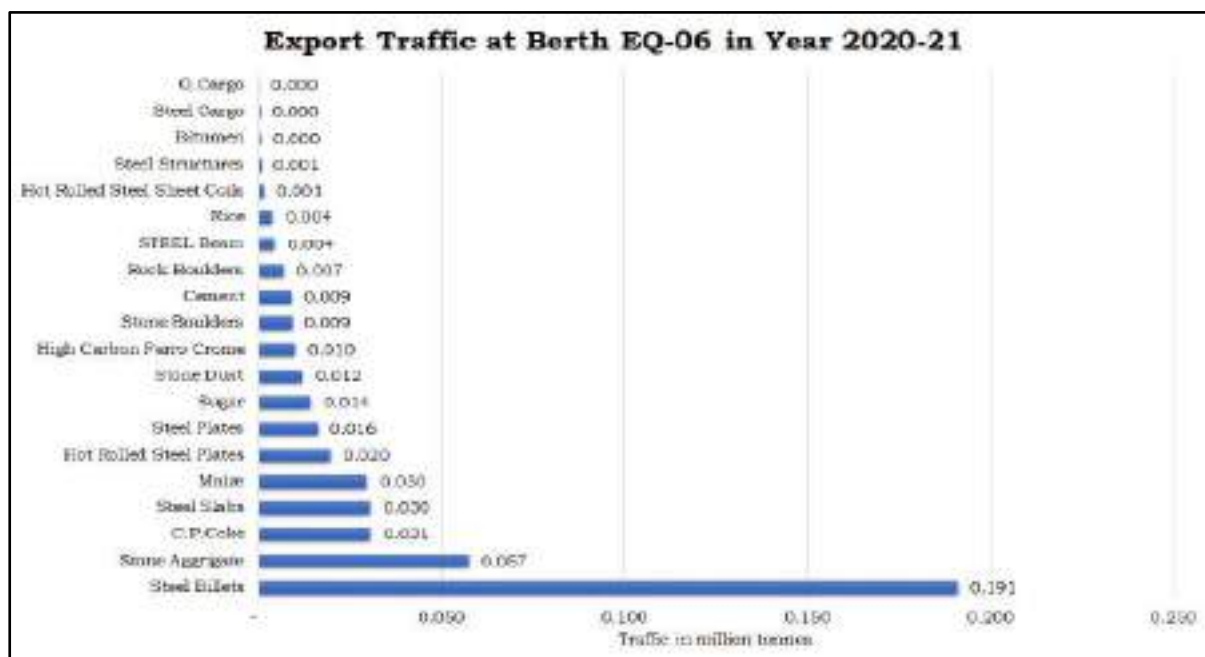




involved and the quantum of the cargo was also considerably smaller. Hence, no specific trend was observed in the majority of the cargoes. In addition to this, the cargo could be handled through various other berths as well thereby bringing in more variation in cargo throughput through berth EQ-06. The info-graphical representation of the import and export cargo handled at berth EQ-06 based on Year 2019-20 traffic is as presented in the **Figure 4-6** & **Figure 4-7** below.



**Figure 4-6 : Proportional Distribution of the Import Cargos (Yr 2019-20)**



**Figure 4-7 : Proportional Distribution of the Export Cargoes (Yr 2019-20)**

Thus, major cargoes are identified among over 50 varieties of the cargoes being handled by EQ-06 such that they are consistent enough over the time, their quantum though less at VPA level but considerable when compared against traffic handled through EQ-06, potential of the cargoes based on the discussion with various stakeholders as well as multiple discussions with traffic department at VPA and analysis of ongoing infrastructure development cum other initiatives in the VPA. The major cargoes identified based on their influence in the traffic growth and future potential based on the stakeholder assessment are as presented in **Table 4-3** below.

**Table 4-3 : Major Cargo Identification Assessment for Berth EQ-06**

Sr. No.	Cargo	Remark	Conclusion
<b>A</b>	<b>Import Oriented Cargo</b>		
<b>I</b>	<b>Bulk Cargo (Conventional)</b>		
<b>1</b>	Anthracite Coal	<ul style="list-style-type: none"> <li>Though the cargo quantum is small, it is being handled for last two consecutive years.</li> <li>Hence, taken into consideration.</li> </ul>	Considered





Sr. No.	Cargo	Remark	Conclusion
2	Rock Phosphate	<ul style="list-style-type: none"> <li>Rock Phosphate is part of the Fertilizer (Dry) which is a raw material required for fertilizer industry.</li> <li>Fertilizer (Dry) cumulatively accounted for around 8% of the cargo throughput at EQ-06.</li> <li>Further, through EQ-07 is being considered as a primary berth for Fertilizer, some quantum of Fertilizer raw materials has been considered to be handled through other berths as well while Finished fertilizer will be solely handled through berth EQ-07.</li> </ul>	Considered
3	Sulphur	<ul style="list-style-type: none"> <li>Sulphur import at VPA is for fertilizer raw material.</li> <li>Taking into consideration the bases as explained for rock phosphate, Sulphur is considered for traffic assessment.</li> </ul>	Considered
4	Finished Fertilizer	<ul style="list-style-type: none"> <li>Based on year 2019-20 traffic assessment, finished fertilizer accounted for around 27.5% of the total traffic handled at EQ-06.</li> <li>However, with recent operational initiative of prioritising finished fertilizer at EQ-07 berth considering availability of batching plant at berth will ease the cargo handling; the finished fertilizer has been excluded from berth EQ-06 for future considerations.</li> </ul>	Not Considered
5	Manganese Ore	<ul style="list-style-type: none"> <li>Berth EQ-06 handled manganese ore to the tune of 76,000 tonnes in the past however, the cargo has been shifted to other mechanized and semi mechanized berths.</li> <li>Further, taking into consideration the traffic scenario considered for berth WQ-06, WQ-07 &amp; WQ-08; the cargo has not been considered for further working.</li> </ul>	Not Considered
6	Limestone	<ul style="list-style-type: none"> <li>Limestone was being handled through berth EQ-06 to the tune of 30,000 to 40,000 tonnes.</li> <li>However, as Berth EQ-07 may not handle limestone in the future based on the traffic assessment of berth EQ-07, thus opening a window of opportunity for the traffic which accounted for 11.3% of total limestone import at VPA</li> </ul>	Considered



Sr. No.	Cargo	Remark	Conclusion
7	C.P. Coke	<ul style="list-style-type: none"> <li>Around 90% of the CP Coke import happened through EQ-06 as per traffic of Yr 2020-21.</li> <li>Further, C.P. Coke being a sensitive cargo from the perspective of handling and any contamination, the multi clean cargo nature of berth helps in handling of C.P. Coke through VPA.</li> </ul>	Considered
<b>II</b>	<b>Liquid Cargo</b>		
1	Caustic Soda	<ul style="list-style-type: none"> <li>Caustic Soda is majorly imported by various aluminium and other industries.</li> <li>Berth EQ-06 has an underground pipeline connecting to tank farms through which it used to handle the cargo in the past.</li> <li>However, the cargo being shifted to Berth EQ-10, WQ-05 &amp; WQ-06.</li> </ul>	Not Considered
2	Phosphoric Acid	<ul style="list-style-type: none"> <li>Around 80% of the Phosphoric Acid is handled through the underground pipeline corridor available at berth EQ-06.</li> <li>While remaining 20% is handled through the berth EQ-07, considering the location of pipeline outlet which is near the junction point of EQ-06 and EQ-07.</li> </ul>	Not Considered
<b>III</b>	<b>Breakbulk Cargo</b>		
1	Ammonium Nitrate (Bags)	<ul style="list-style-type: none"> <li>Ammonium nitrate is handled through berth EQ-06 as it is unloaded directly on to the trucks which transport them to their end customers considering restrictions imposed towards cargo handling.</li> <li>Further, due to the availability of long key length of around 280m, there exist a sufficient place for holding trucks for cargo handling, thus it's a preferred berth.</li> </ul>	Considered
<b>B</b>	<b>Export Cargo</b>		
<b>I</b>	<b>Bulk Cargo (Conventional)</b>		
1	C. P. Coke	<ul style="list-style-type: none"> <li>Around 24% of the CP Coke export happened through EQ-06 as per traffic of Yr 2020-21.</li> <li>Further, C.P. Coke being a sensitive cargo from the perspective of handling and any contamination, the multi clean cargo nature of berth helps in handling of C.P. Coke through VPA.</li> </ul>	Considered



Sr. No.	Cargo	Remark	Conclusion
2	Stone Aggregate	<ul style="list-style-type: none"><li>Berth EQ-06 handles around 43% of the stone aggregate export at VPA.</li><li>Considering the availability of sufficient key length for loading/unloading operations, and multi-clean cargo nature of berth gives it a preferred berth for handling stone aggregate cargo.</li></ul>	Considered
II	<b>Break Bulk Cargo</b>		
1	Iron and Steel Cargo	<ul style="list-style-type: none"><li>Berth EQ-06 handled around 21% of the iron and steel cargo through berth EQ-06.</li><li>Taking into consideration the availability of sufficient quay length which is required for parking of the trucks during loading operations, Berth EQ-06 becomes one of the preferred berths for cargo handling.</li></ul>	Considered
2	Cement	<ul style="list-style-type: none"><li>Based on the stakeholder interaction, it was understood that there exists a potential for cement export to Andaman &amp; Nicobar Islands.</li><li>The same has been taken into consideration.</li></ul>	Considered

Based on the various justification points provided in table above, the major cargoes were identified for the subject project for further assessment. These major cargoes account for around 80% of the total cargo throughout at berth EQ-06. However, owing to the shift of Finished fertilizer to berth EQ-07 based on the discussion with client, around 30% of the cargo handled at berth EQ-06 will be shifted out. Hence, there is a possibility of the drop in the traffic for initial years.

#### 4.5 STAKEHOLDER CONSULTATION

The Consultant have carried out the stakeholder engagement in order to understand the traffic characteristics of the major identified cargoes, future prospects and identification of any additional cargoes which could be handled through berth EQ-06. The details of stakeholders consulted during the process is provided in **Table 4-4** below.



**Table 4-4 : Stakeholder List Consulted during Traffic Study**

Sr. No.	Organization	Name of the Representative	Major Commodities
1	Orissa Stevedores Limited	Mr. Nayak	Cement, Alumina, Manganese and other bulk and breakbulk cargoes
2	Rain Industries Ltd.	Mr. Roshan	C.P. Coke and Green Petroleum Coke
3	Anrac Aluminium Ltd.	Mr. Ramakrishna	Alumina and Bauxite cargo
4	Food Corporation of India	Visakhapatnam office	Maize, Rice and other food grains
5	Hinduja National Power Corporation Ltd. (HNPCL)	Sr. Executive (Operations)	Fly Ash and Coal
6	Vedanta Ltd.	Mr. Prakash	Alumina Ingots
7	Synergy Shipping	Mr. Venugopal	Alumina
8	Business Development Cell, VPA	Mr. Raviteja	Various cargo leads
9	Granite Exports	Ms. Madhuri Puvyat	Granite cargo

The assessment carried out based on the stakeholder feedback is suitably integrated in the report.

#### **4.6 CARGOWISE TRAFFIC ANALYSIS**

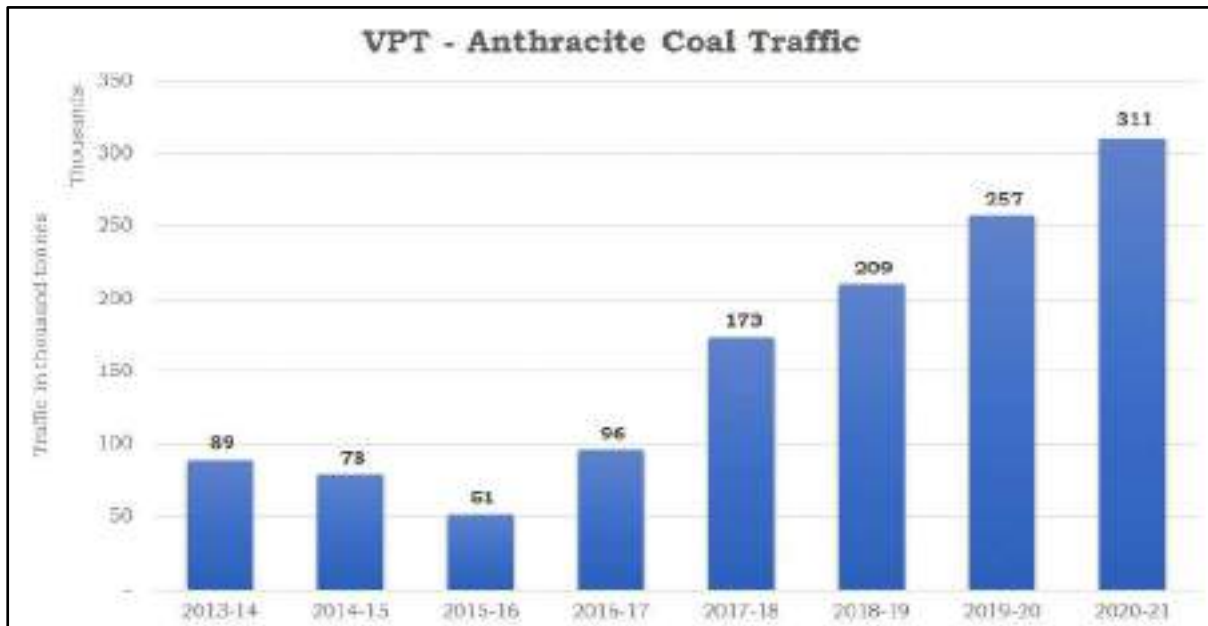
This section deals with individual cargo-wise assessment of past trend and future potential in order to estimate the demand potential forecast for 30-year horizon for major cargos listed in previous section.

##### **4.6.1 Anthracite Coal**

Anthracite, also known as hard coal, is a hard, compact variety of coal that has a submetallic lustre. It has the highest carbon content, the fewest impurities, and the highest energy density of all types of coal and is the highest ranking of coals.

###### **4.6.1.1 Traffic Characteristics at VPA**

VPA handled 0.311 million tonnes of anthracite coal in year 2020-21 growing at CAGR of 23.2% since year 2013-14. Anthracite coal is majorly overseas import cargo. The import traffic trend of anthracite coal through VPA is as shown in **Figure 4-8** below.



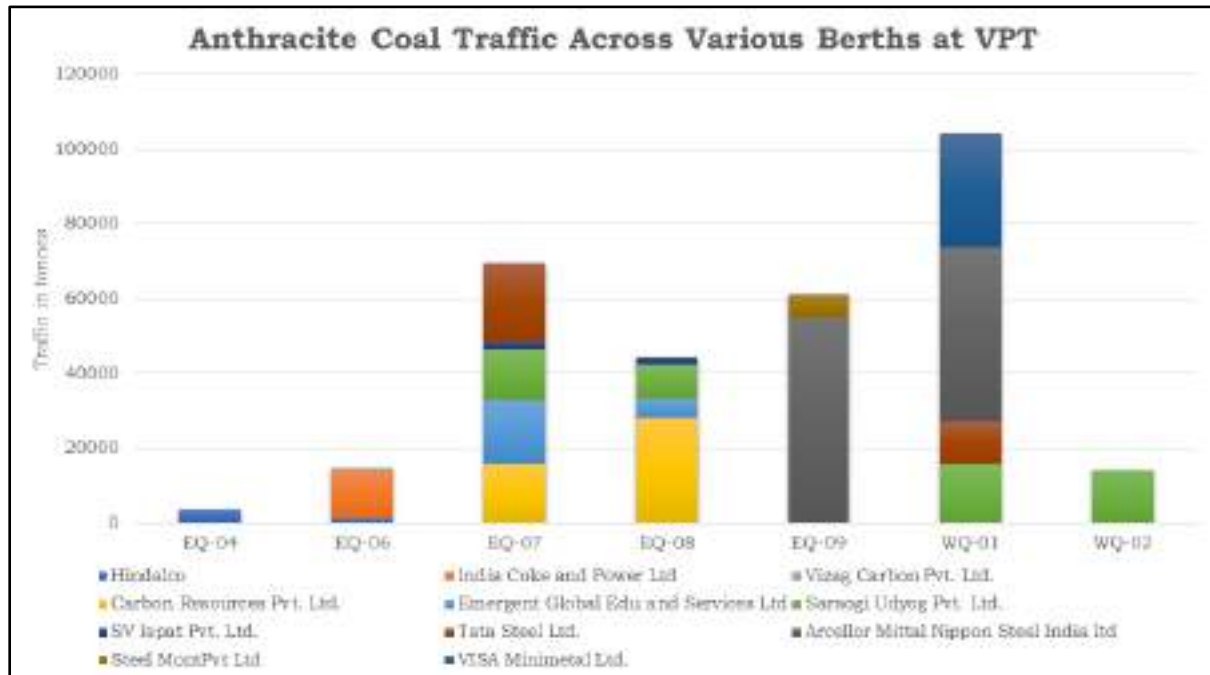
**Figure 4-8 : Import Traffic Trend for Anthracite Coal through VPA**

Following are industries which handled anthracite coal through VPA based on year 2020-21 traffic data:

- Hindalco
- India Coke and Power Ltd.
- Vizag Carbon Pvt. Ltd.
- Carbon Resources Pvt. Ltd.
- Emergent Global Edu and Services Ltd.
- Saraogi Udyog Pvt. Ltd.
- SV Ispat Pvt. Ltd.
- Tata Steel Ltd.
- Arcelor Mittal Nippon Steel India Ltd.
- Steel Mont Pvt. Ltd.
- VISA Minimetall Ltd.



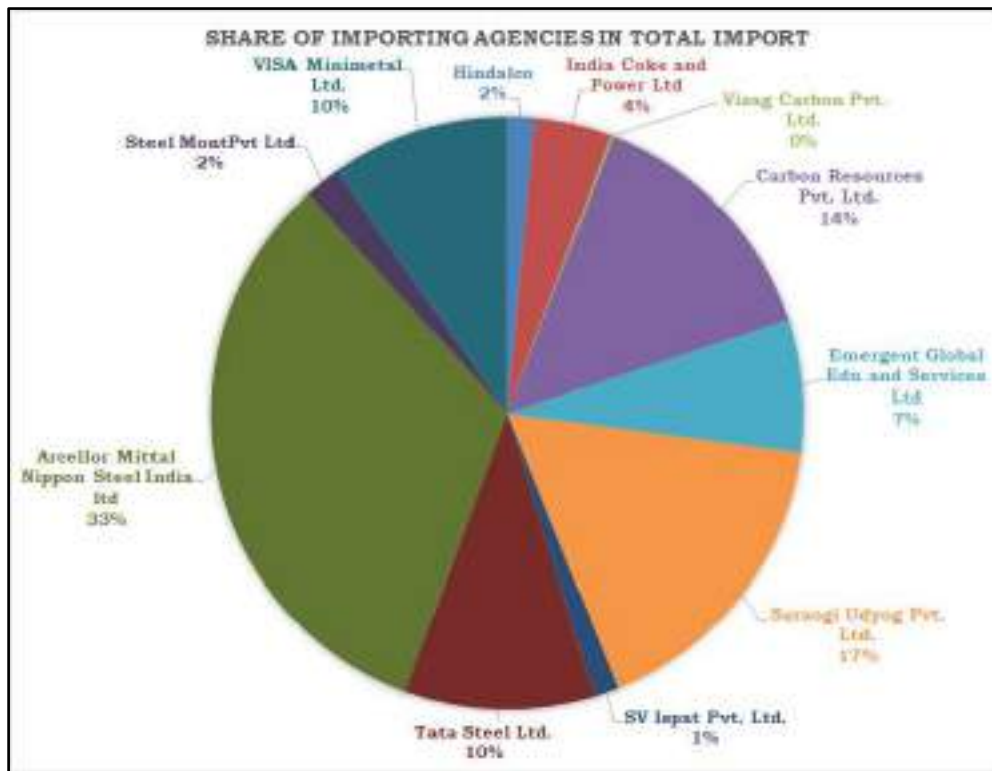
The proportion of traffic for various industries listed above through berths at VPA is as presented in **Figure 4-9** below.



**Figure 4-9 : Anthracite Coal Traffic through Berths at VPA**

Arcelor Mittal has largest share in importing Anthracite Coal through VPA which majorly handles through berth EQ-09 and WQ-01. While, Saraogi Udyog Pvt. Ltd. And Carbon resource Pvt. Ltd. are other major importing agencies at VPA.

The **Figure 4-10** below provides the share of various agencies importing Anthracite Coal through VPA based on the traffic data for Yr 2020-21.



**Figure 4-10 : Share of Importing Agencies in Import of Anthracite Coal**

#### **4.6.1.2 Demand Assessment and Forecast -Anthracite Coal**

Hindalco, India Coke & Power Ltd. and Vizag Power Pvt. Ltd. Handled anthracite coal through EQ-06 as per Yr 2020-21 traffic data. EQ-06 handled 30,982 tonnes in year 2019-20 while it came down to 14,609 tonnes in year 2020-21.

The anthracite coal import traffic through VPA has experienced a substantial growth since year 2018 growing at around CAGR of 21.6%. It is assumed that the same growth will continue until Yr 2024 and reduce down to long term stable growth.

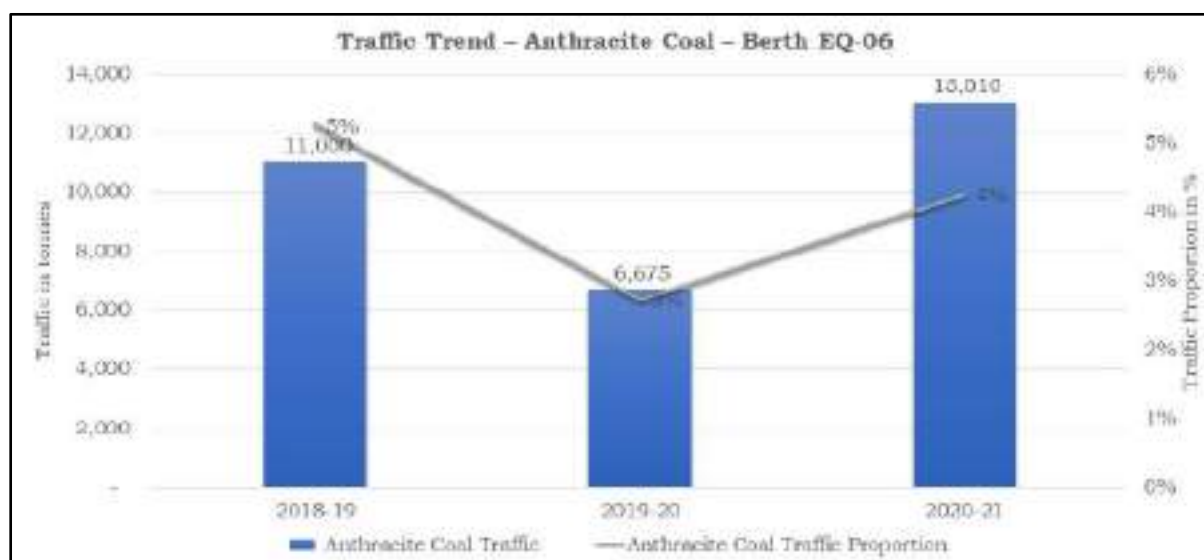
The growth potential considered for anthracite coal is presented in the **Table 4-5** below.





**Table 4-5 : Growth Forecast Assumptions for Anthracite Coal**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 to Yr 2027	7.2%	Growth rate anticipated due to envisaged production capacity addition under National Steel Policy 2017
	Yr 2028 to Yr 2037	2.4%	Growth observed between Yr 2014 and Yr 2017 prior to sudden burst of traffic
	Yr 2038 to Yr 2052	1.0%	Conservative growth rate owing to saturation in growth prospects over the period



**Figure 4-11 : Traffic Trend for Anthracite Coal Import at VPA**

Berth EQ-06 handled around 4% of the total anthracite coal traffic in year 2021, however, taking into consideration operational upgradation at other berths in the VPA, the proportion will slowly come down to 3%. Based on this, the traffic potential for berth EQ-06 is being worked out.

Based on the assumptions towards growth potential for VPA and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-6** below.

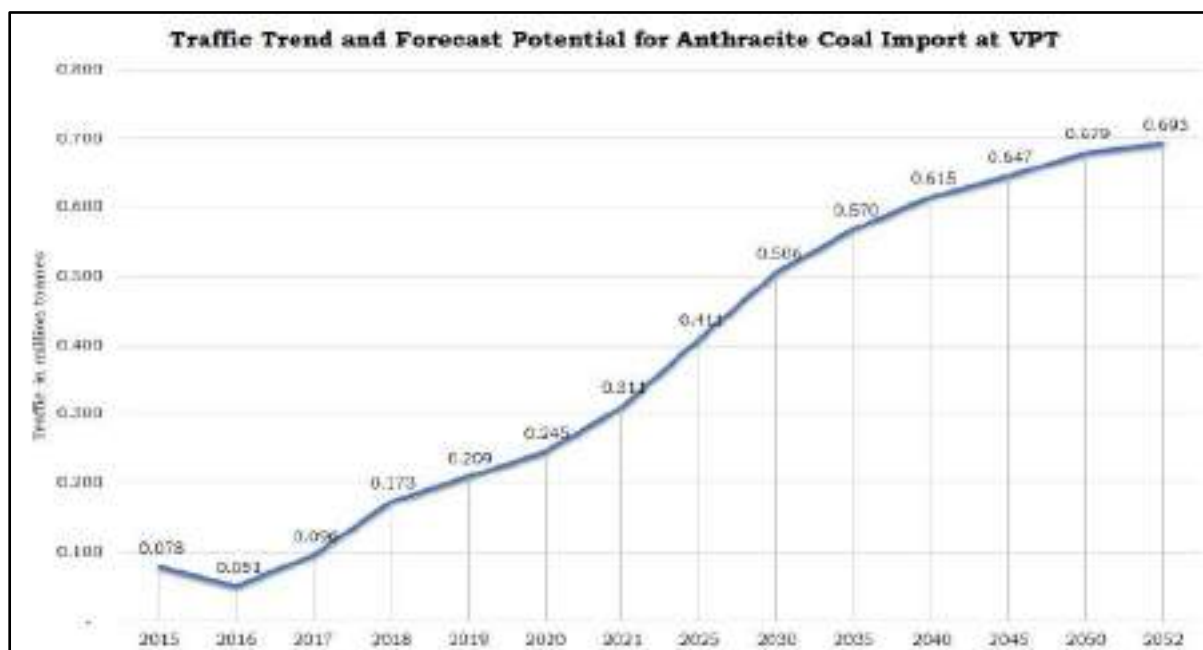




**Table 4-6 : Anthracite Coal Traffic Forecast Summary for VPA and Berth EQ-06**

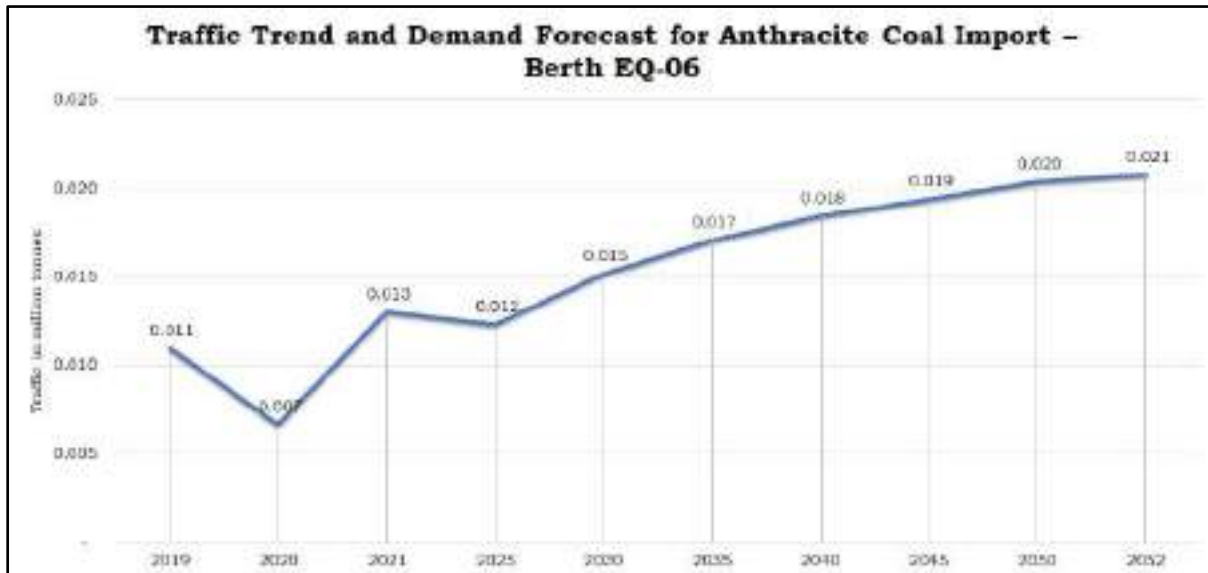
Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast at VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.31	0.41	0.51	0.57	0.62	0.65	0.68	0.69
<b>Traffic Forecast at Berth EQ-06 (in million tonnes)</b>								
		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Base Scenario</b>	0.015	0.012	0.015	0.017	0.018	0.019	0.020	0.021

The **Figure 4-12** below provides the info-graphic representation of traffic demand forecast for Anthracite Coal through VPA.



**Figure 4-12 : Anthracite Coal Traffic Forecast with Past Trend through VPA**

Further, the traffic potential through berth EQ-06 is presented in **Figure 4-13** below.



**Figure 4-13 : Traffic Trend and Demand Forecast for Anthracite Coal Import at Berth EQ-06**

## **4.6.2 Rock Phosphate**

### **4.6.2.1 Indian Scenario**

Rock phosphates or phosphorites are sedimentary phosphatic deposits comprising fine grained mixture of various calcium phosphates, most important being hydroxyl apatite, carbonate apatite, fluorapatite and their solid solutions. About 80% phosphate production in the world is derived from phosphate rocks (phosphorite) containing one or more phosphatic minerals, usually calcium phosphate of sufficient purity and quantity to permit its use directly or after concentration in manufacturing commercial products.

The total reserves/resources of rock phosphate as per NMI data, based on UNFC system as on April, 2015 has been placed at 312.67 million tonnes. Out of these, the reserves constitute only 45.80 million tonnes while 266.87 million tonnes are under Remaining Resources category. Of the total reserves/resources, 34% are in Jharkhand, 31% in Rajasthan, 19% in Madhya Pradesh, 8% each in Uttar Pradesh



& Uttarakhand, respectively. Meagre quantities of resources are also located in Gujarat and Meghalaya<sup>2</sup>.

Most of the phosphate rock mined throughout the world is used to produce phosphate fertilizer. It is also used as animal feed supplements. Elemental phosphorus and phosphoric chemicals derived from phosphate rocks find application in detergents, insecticides, pharmaceutical products, soft drink, tooth paste, glass, photographic films, matches, fire -works, military smoke screens, incendiary bombs, etc. The apparent consumption of apatite and rock phosphate in India during 2017-18 was about 9.23 million tonnes<sup>3</sup>.

India's dependency on import at present is to the extent of 25% of our requirements of urea, 90% in case of phosphates either as raw material or finished fertilizers (DAP/MAP/TSP) and 100% in case of potash.

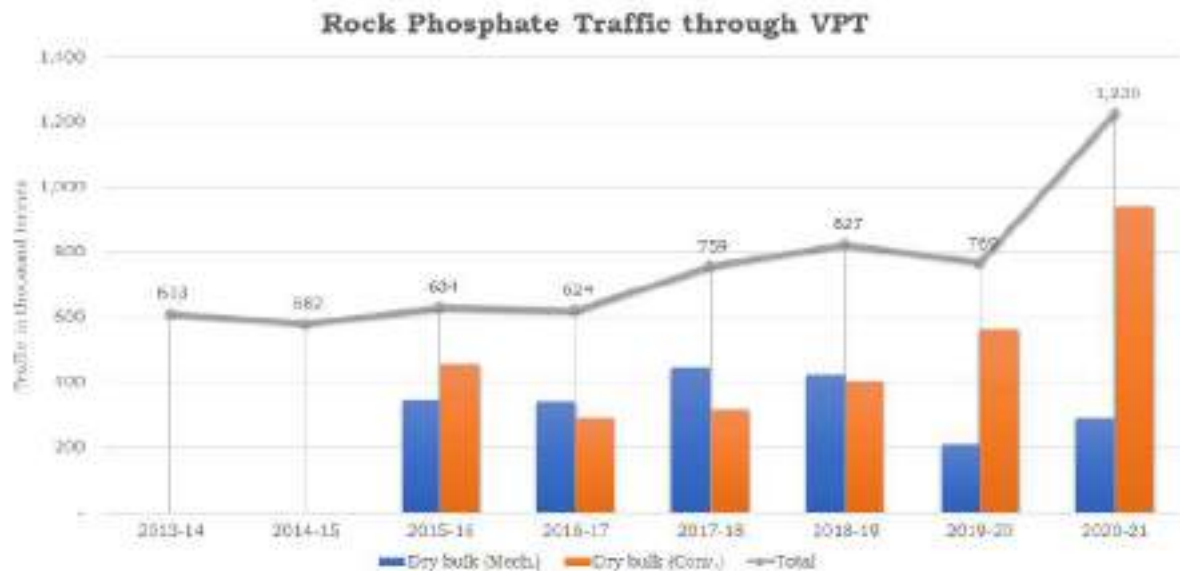
#### **4.6.2.2 Rock Phosphate - Traffic Characteristics at VPA**

The rock phosphate production in India is primarily concentrated in Madhya Pradesh and Rajasthan; thus, the consumption demand in the hinterland of VPA needs to be met primarily through imports. VPA handled about 1.23 million tonnes of Rock Phosphate in Yr 2020-21 which is around 60% higher than the traffic handled in Yr 2019-20 as can be seen from **Figure 4-14** below.

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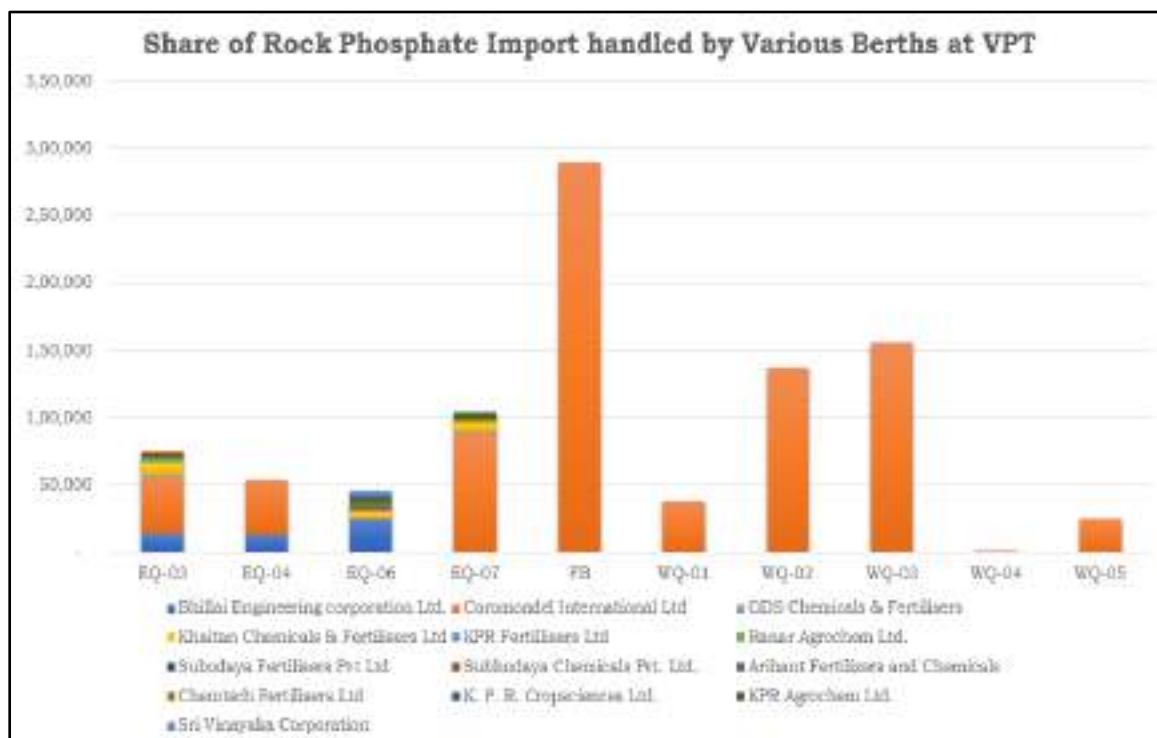
<sup>2</sup> Source: Indian Mineral Yearbook, 2019 (Part III: Mineral Reviews)

<sup>3</sup> Source: Indian Mineral Yearbook, 2019 (Part III: Mineral Reviews)



**Figure 4-14 : Import Traffic Trend for Rock Phosphate through VPA**

The rock phosphate is currently being handled through VPA by way mechanized and conventional means based on berth at which it is being handled. The FB berth at VPA is equipped for handling cargo through mechanized means while all other berths handled through semi-mechanised or conventional means. The distribution of traffic through various berths along with importing agencies is presented in **Figure 4-15** below.

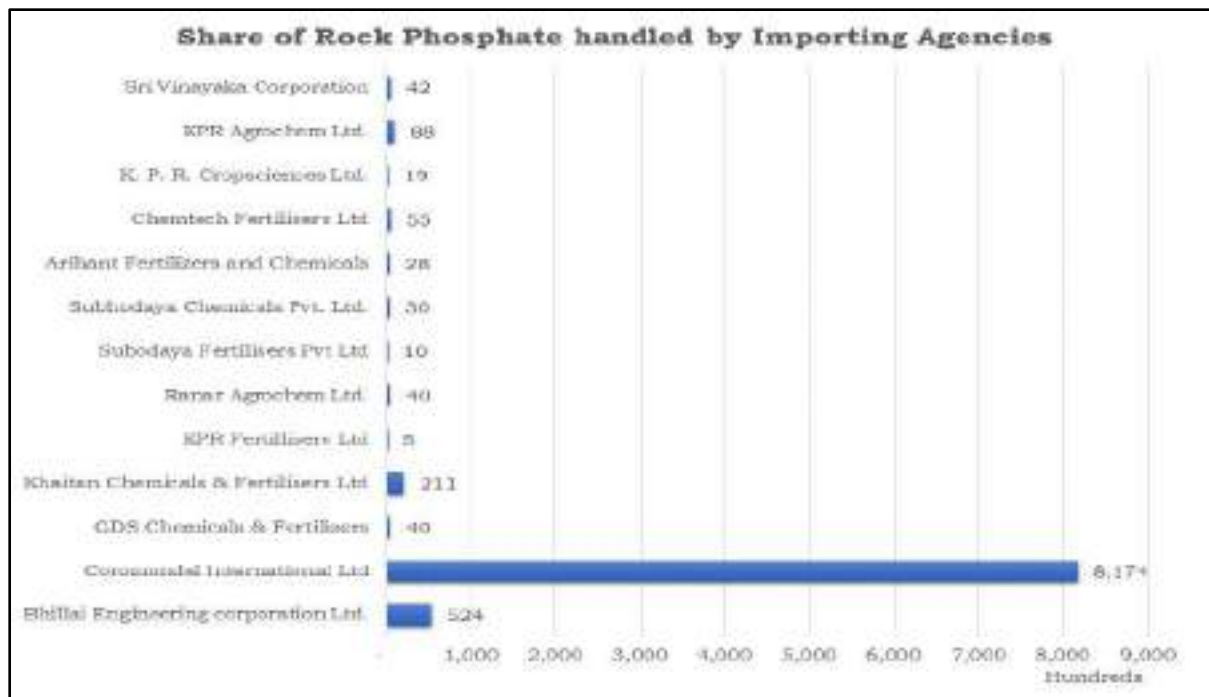




**Figure 4-15 : Share of Import handled by Various Berths at VPA**

Coromandel International Ltd. is single largest importer of Rock phosphate through VPA accounting for over 88% of import based on traffic handled in Yr 2020-21.

**Figure 4-16** shows the share of Importing Agencies in Import of Rock Phosphate



**Figure 4-16 : Share of Importing Agencies in Import of Rock Phosphate**

Further, the overall Rock Phosphate traffic through VPA grew at CAGR of around 3.85% between Yr 2013-14 to Yr 2019-20; just prior to sharp increase of Yr 2020-21 traffic. Hence, for future growth prospects the growth observed prior to Yr 2020-21 has been taken into account.

#### 4.6.2.3 Forecast Considerations

The growth potential for rock phosphate import through VPA is as presented in the **Table 4-7** below.

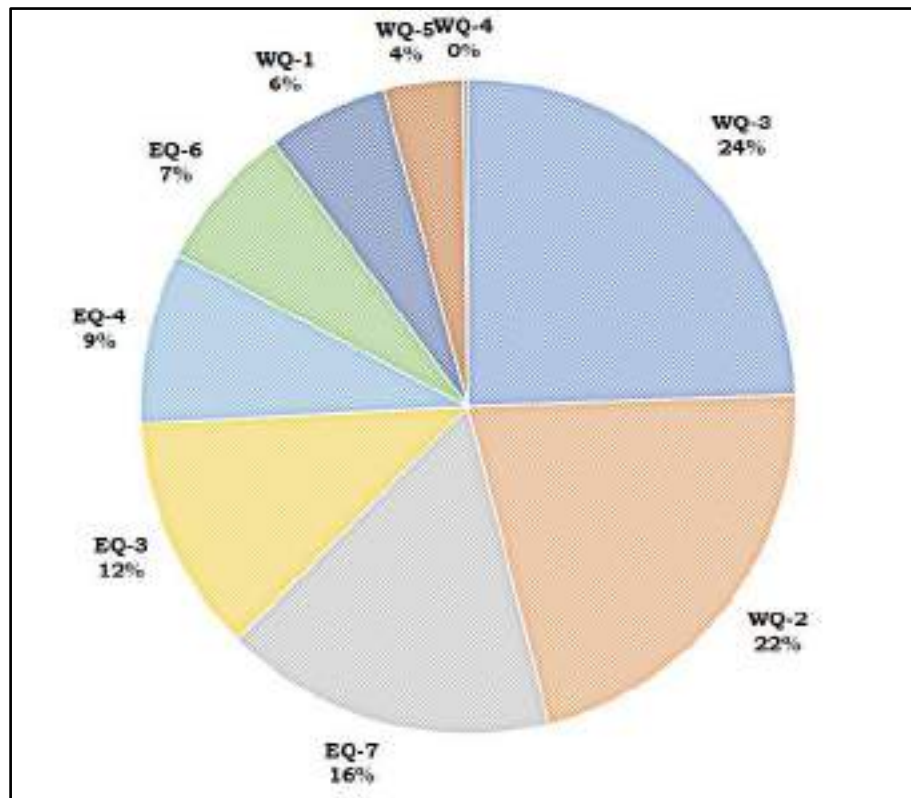


**Table 4-7 : Growth Forecast Assumptions for Rock Phosphate**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 to Yr 2025	5.32%	CAGR observed over last 4 years i.e. between Yr 2016 and Yr 2020 prior to surge observed in Yr 2021 - as per Rock Phosphate traffic handled through Conventional means
	Yr 2026 to Yr 2031	3.85%	CAGR observed for total Rock Phosphate cargo handling (including mech. And conventional) through VPA between Yr 2014 and Yr 2020 - prior to sudden surge in Yr 2021
	Yr 2032 to Yr 2052	1.84%	CAGR Observed based on the all India Import between Yr 2014 and Yr 2018

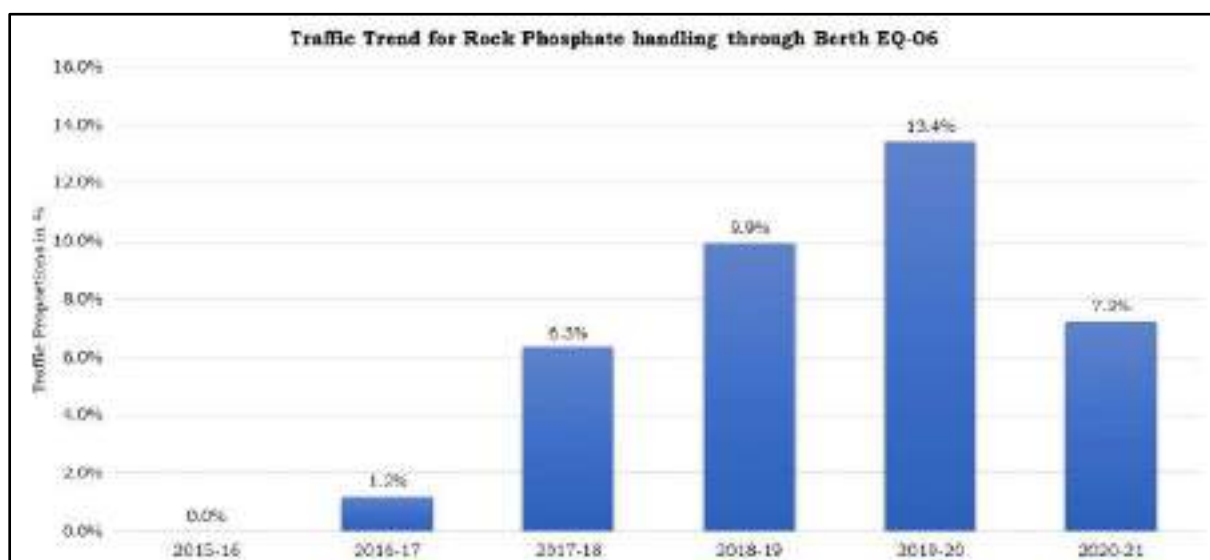
As shown in figure above, the rock phosphate is being handled by means of both conventional handling as well as mechanized handling. However, in the recent past conventional handling of rock phosphate has surpassed the mechanized handling. Berth EQ-06 is anticipated to handle the rock phosphate though conventional means, hence the traffic handled through conventional means in year 2020-21 is considered as base traffic for rock phosphate forecast. Whereas, the proportion of mechanized handling will remain equivalent in the future.

The proportion of rock phosphate traffic handled conventionally through various berths as per Yr 2020-21 traffic is presented in the **Figure 4-17** below.



**Figure 4-17 : Rock Phosphate Cargo - Conventional Handling - Traffic Proportions**

Whereas the proportion of traffic handled through berth EQ-06 against conventional rock phosphate handling is as presented in the **Figure 4-18** below.



**Figure 4-18 : Proportion of Rock Phosphate Handled through Berth EQ-06**





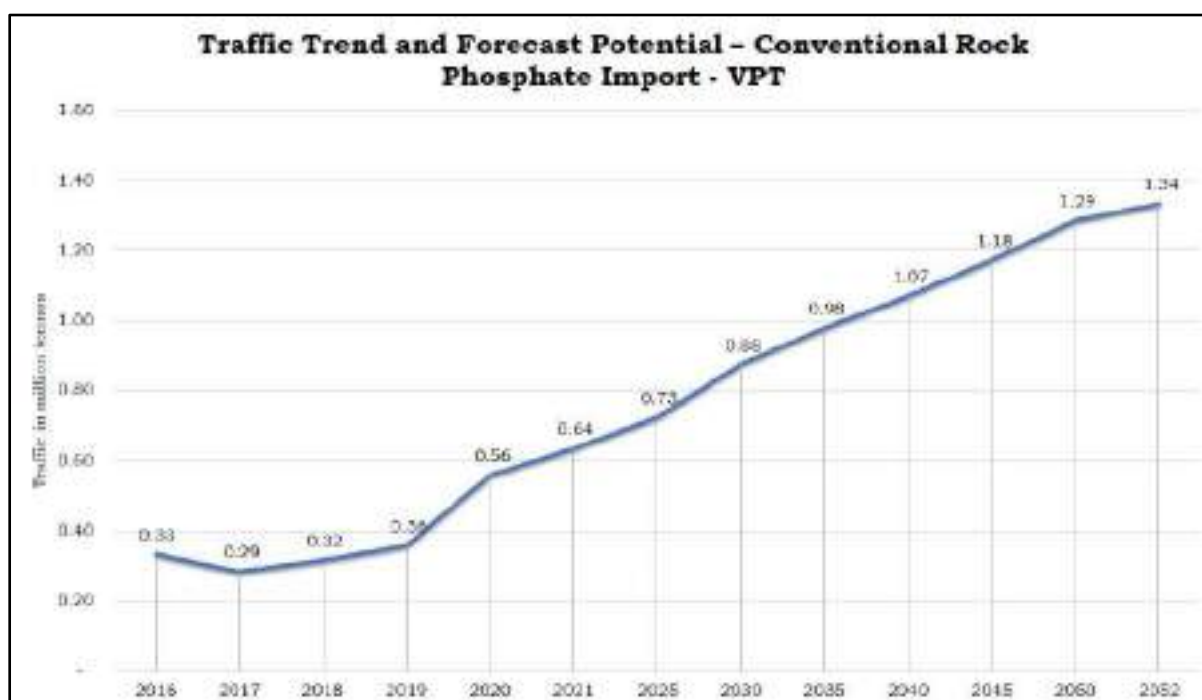
In addition to this, based on the discussion with the Client, it was observed that berth EQ-07 will primarily handle all kinds of fertilizers both finished and raw. Hence, it is assumed that the proportion of the rock phosphate will gradually reduce.

Based on the assumptions towards growth potential for rock phosphate handled conventionally and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-8** below.

**Table 4-8 : Rock Phosphate - Traffic Forecast Summary for VPA and Berth EQ-06**

Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.64	0.73	0.88	0.98	1.07	1.18	1.29	1.34
<b>Traffic Forecast through Berth EQ-06 (in million tonnes)</b>								
<b>Base Scenario</b>	0.029	0.029	0.035	0.039	0.042	0.046	0.051	0.053

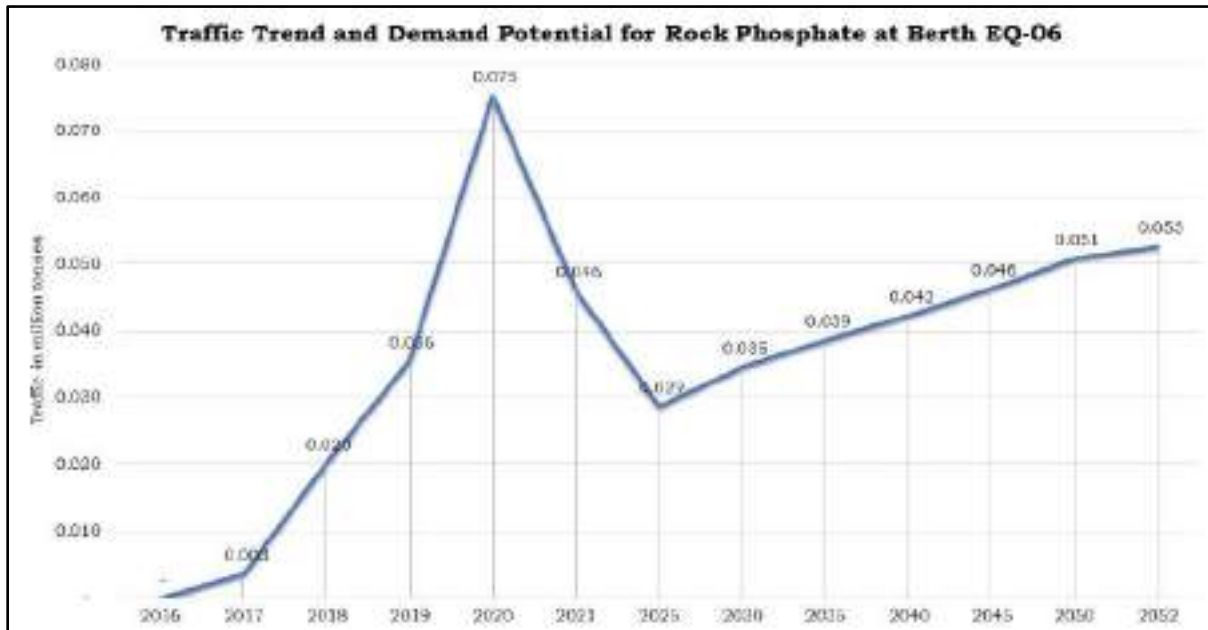
The **Figure 4-19** below provides the info-graphic representation of traffic demand forecast for Rock Phosphate through VPA.



**Figure 4-19 : Rock Phosphate Traffic Forecast with Past Trend through VPA**

Whereas the traffic trend and forecast potential for berth EQ-06 is as presented in the **Figure 4-20** below.





**Figure 4-20 : Traffic Trend and Demand Potential for Rock Phosphate at Berth EQ-06**

### 4.6.3 Sulphur

#### 4.6.3.1 Introduction

Sulphur has been a key raw material for the fertiliser and chemical industries. It is the primary source for sulphuric acid, the world's most widely used chemical, in a host of manufacturing processes. Sulphuric acid is used by the fertiliser industry to manufacture primarily phosphates or phosphoric acid, and also other fertilisers like ammonium sulphate.

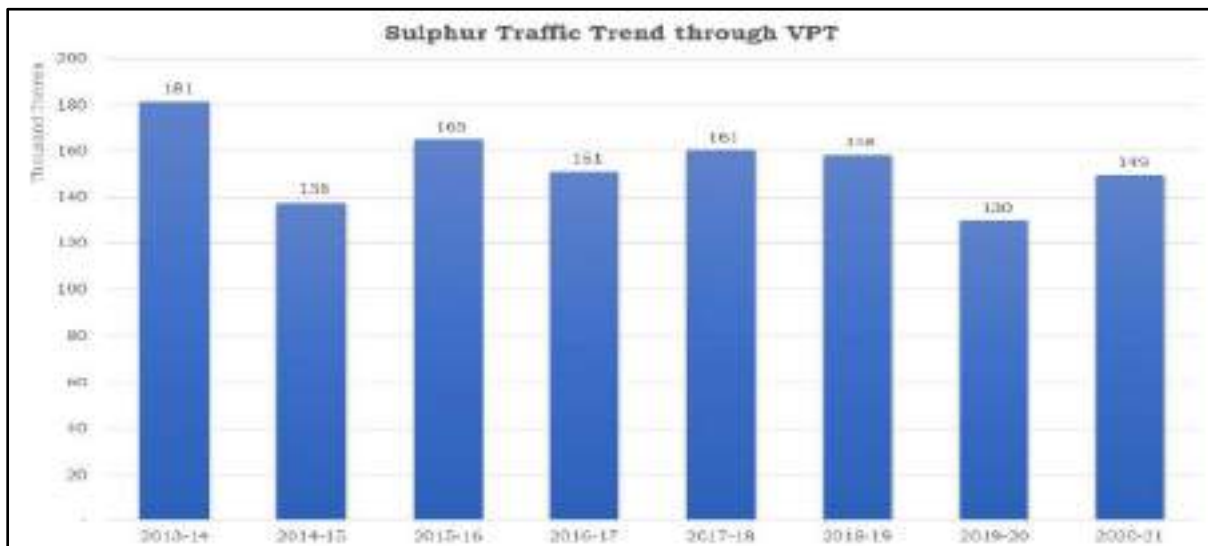
Although sulphur is an increasingly important plant nutrient in its own right, its greatest use in the fertiliser industry as an input for phosphate fertiliser manufacture. In the 1950s and 1960s a shift from low to high concentration phosphate materials signified a sharp increase in sulphur demand. More recently, non-fertiliser sulphur use gained importance resulting from increased use in hydrometallurgical applications.

The sulphur fertiliser industry has made several advancements with products in recent years. The sector has developed materials adapted to particular crop and management situations. Sulphur fertilisers include a wide range of products, offering versatility for a variety of applications.



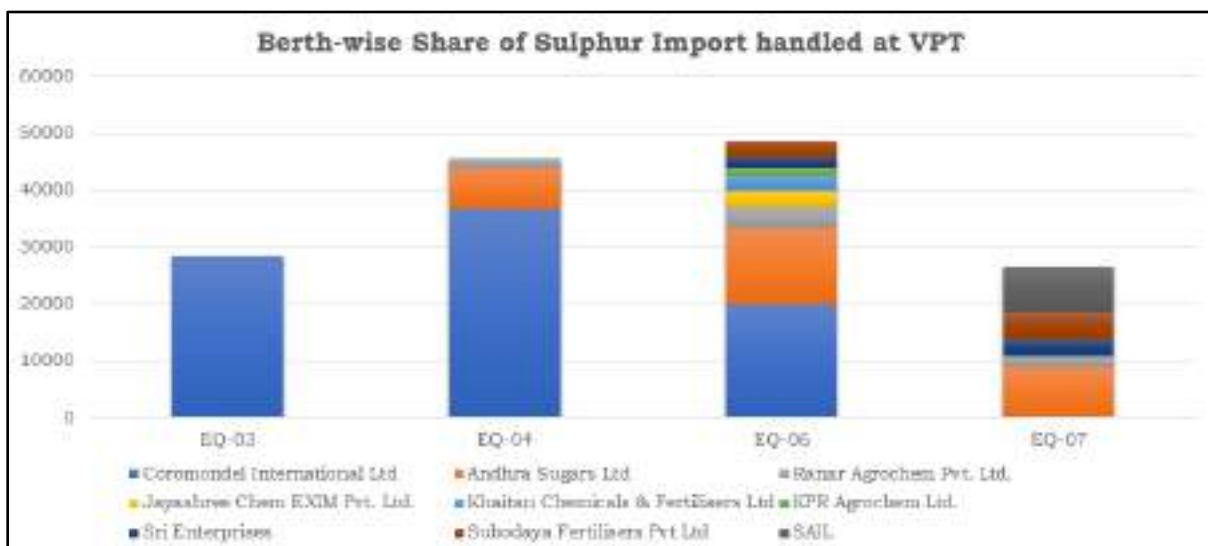
#### 4.6.3.2 Sulphur - Traffic Characteristics at VPA

The sulphur cargo demand at VPA is near about stagnant over the 7 years. VPA handled around 1.49 lakh tonnes of sulphur in dry bulk form. The past trend in cargo throughput through VPA is as presented in **Figure 4-21** below.



**Figure 4-21 : Import Traffic Trend for Sulphur through VPA**

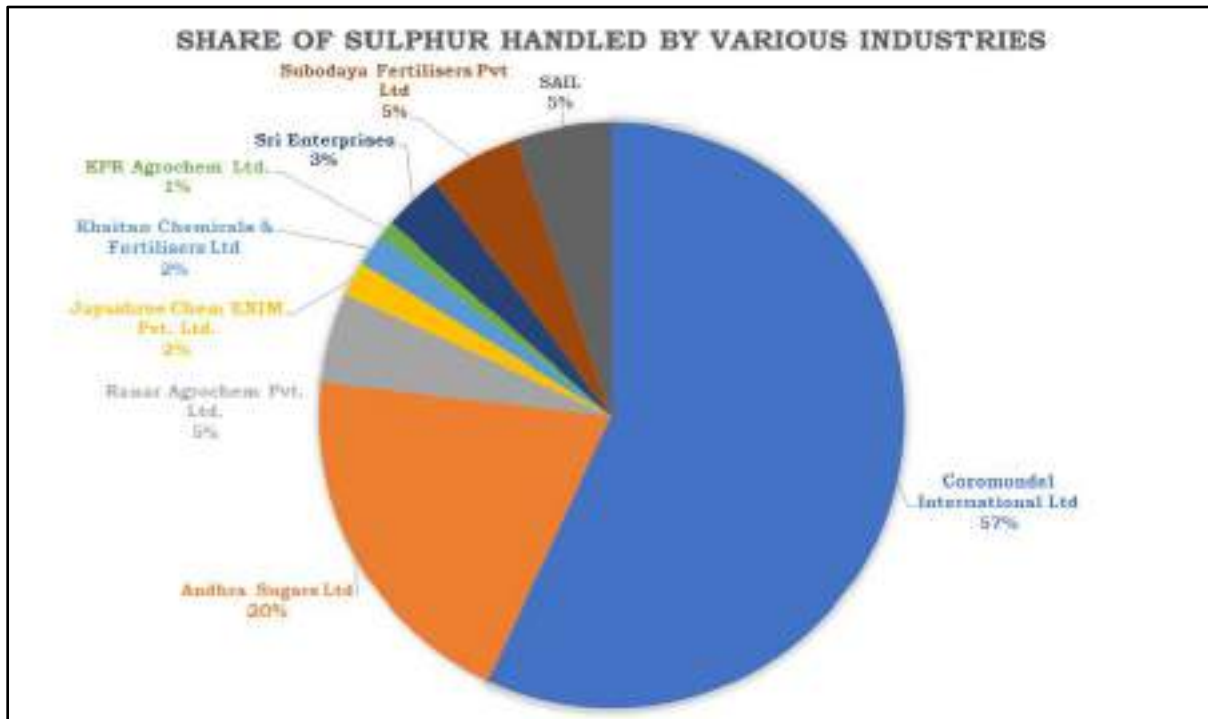
The sulphur is mainly imported for input towards fertilizer industry consumption. Coromandel Fertilizer Ltd. accounted for 57% of the total sulphur import through VPA. While, remaining went to industrial consumptions such as Andhra Sugars Ltd, SAIL, Ranar Agrochem Ltd. etc. The share of sulphur import handled by various berth is as presented in **Figure 4-22** below.





**Figure 4-22 : Berth wise share of Import Sulphur Cargo handled through VPA**

The share of sulphur imported by various industries is presented in **Figure 4-23** below.



**Figure 4-23 : Share of Sulphure Cargo Handled by Various Industries**

Coromandel Ltd. is the largest sulphur cargo handling industry for captive cargo requirement majorly handled through berth EQ-03, EQ-04 & EQ-06. Further, based on the stakeholder assessment, Coromandel Ltd. is envisaging a capacity addition in the near future which would drive the growth for raw material requirement.

Further, VPA is planning to priorities berth EQ-07 as fertilizer handling berth. Thus, it is estimated that sulphur will get diverted to berth EQ-07 to some extent.

#### **4.6.3.3 Sulphur- Forecast Considerations**

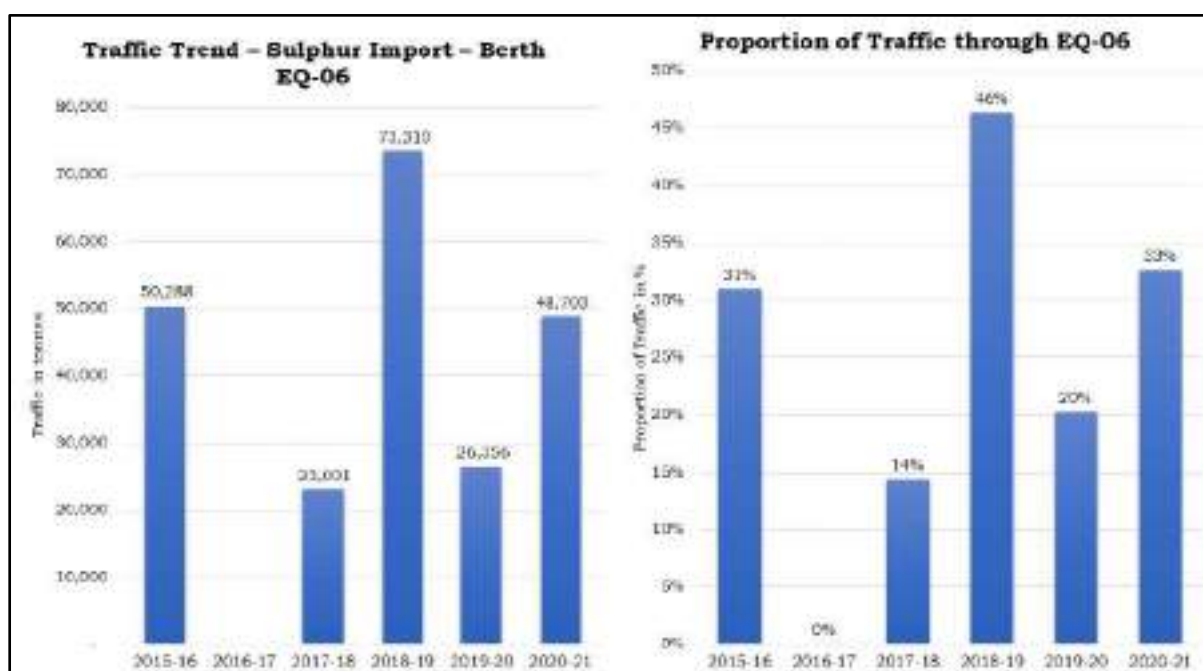
Taking into consideration historical trend, demand in the hinterland region etc. the growth potential for sulphur dry bulk cargo is as presented in the **Table 4-9** below.



**Table 4-9 : Growth Forecast Assumptions for Sulphur**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Year 2021 to Year 2025	8.6%	Growth observed in import of sulphur Coromandel & Andhra Sugars Industries through VPA is assumed to continue until Yr 2025 with view of anticipated capacity addition at VPA Plant
	Year 2026 to Year 2052	1.8%	The avg. growth rate of fertilizer consumption in India

Berth EQ-06 handled around 48,703 tonnes of sulphur in year 2020-21 accounting for around 33% of the total traffic through VPA. The traffic trend for berth EQ-06 is as presented in the **Figure 4-24** below.



**Figure 4-24 : Traffic Trend of Sulphur Import at Berth EQ-06**

The average proportion of traffic handled at berth EQ-06 over last 5 years is around 29%. Hence, with the background of EQ-07 being converted into a fertilizer priority berth, the proportion of traffic in EQ -06 for Sulphur would come down to conservative 25% of the total sulphur traffic.

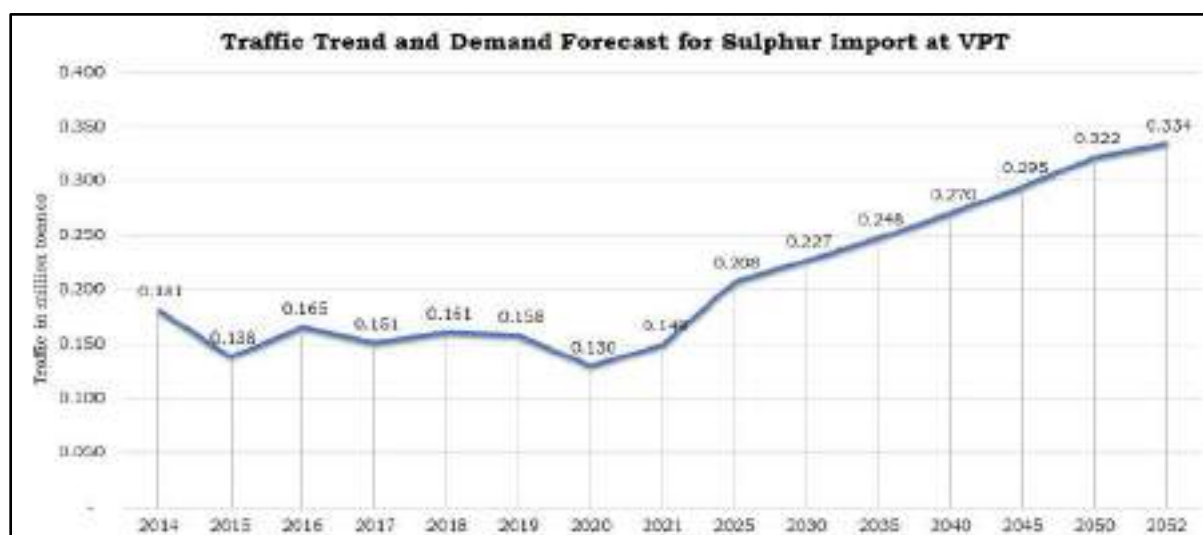
Based on the assumptions towards growth potential and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-10** below.

**Table 4-10 : Sulphur - Traffic Forecast Summary for VPA and Berth EQ-06**



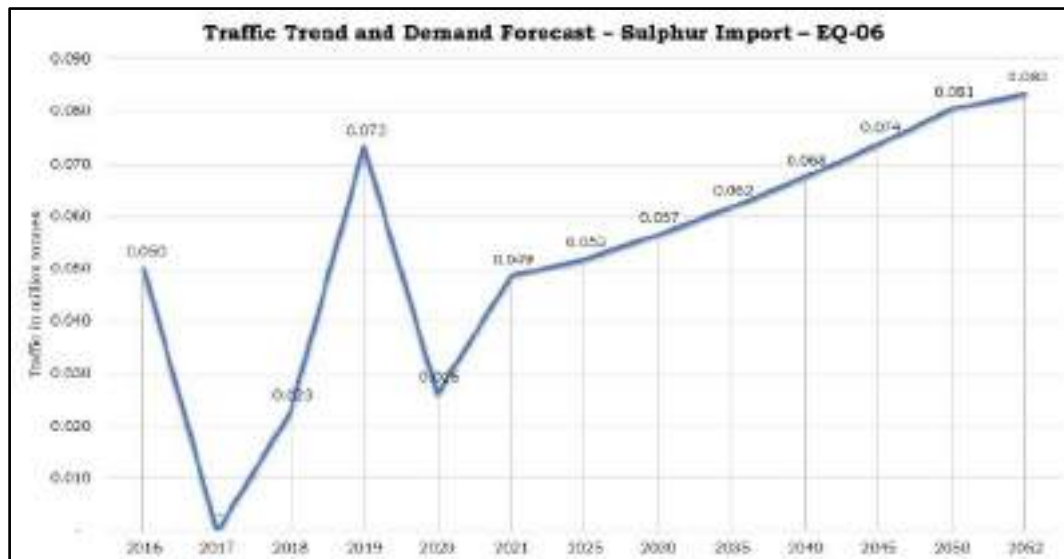
Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.149	0.208	0.227	0.248	0.270	0.295	0.322	0.334
<b>Traffic Forecast through Berth EQ-06 (in million Tonnes)</b>								
		25%	25%	25%	25%	25%	25%	25%
<b>Base Scenario</b>	0.049	0.052	0.057	0.062	0.068	0.074	0.081	0.083

The **Figure 4-25** below provides the info-graphic representation of traffic demand forecast for Sulphur through VPA.



**Figure 4-25 : Traffic Trend and Demand Forecast summary for Sulphur through VPA**

Further, the traffic trend and demand forecast for sulphur import through berth EQ-06 is presented in the **Figure 4-26** below.



**Figure 4-26 : Traffic Trend and Demand Forecast summary for Sulphur through Berth EQ-06**

#### **4.6.4 Limestone**

##### **4.6.4.1 Introduction**

Limestone is a sedimentary rock composed mainly of Calcium Carbonate ( $\text{CaCO}_3$ ) in the form of the mineral calcite. About 10% of sedimentary rocks are limestone and most cave systems are through limestone bedrock. The two most important constituents of limestone are calcite and dolomite.

The total reserves/resources of limestone of all categories and grades as per NMI database based on UNFC system as on 1.4.2015 has been estimated at 2,03,224 million tonnes, of which 16,336 million tonnes (8%) are placed under Reserves category and 1,86,889 million tonnes (92%) are under Remaining Resources category.

Karnataka is the leading State having 27% of the total resources followed by Andhra Pradesh & Rajasthan (12% each), Gujarat (10%), Meghalaya (9%), Telangana (8%) and Chhattisgarh & Madhya Pradesh (5% each). The remaining 12% is shared by other states.

The production of limestone in 2018-19 at 379 million tonnes increased marginally by about 11.34% as compared to that of the previous year. In 2018-19, the total consumption of limestone, as reported by different industries was 350.88 million tonnes which increased marginally by 12% from 313.77 million tonne in the





preceding year. Cement was the major consuming Industry accounting for 95% consumption, followed by Iron & Steel (3%) and Chemical (1%). Negligible consumption was reported by aluminium, sugar & other industries etc.

As per the Foreign Trade Policy 2015-20, the import of limestone and lime shell are free. Imports of limestone increased considerably by 17% to 24.40 million tonnes in 2018-19 from 20.83 million tonnes in the previous year.

The principal use of limestone is in the Cement Industry. Limestone comprises 95% of core raw material for cement production. As per report of Mines & Minerals-CMA India, around 180-250 kg of coal and about 1.5 tonnes of limestone is required to produce one tonne of cement.

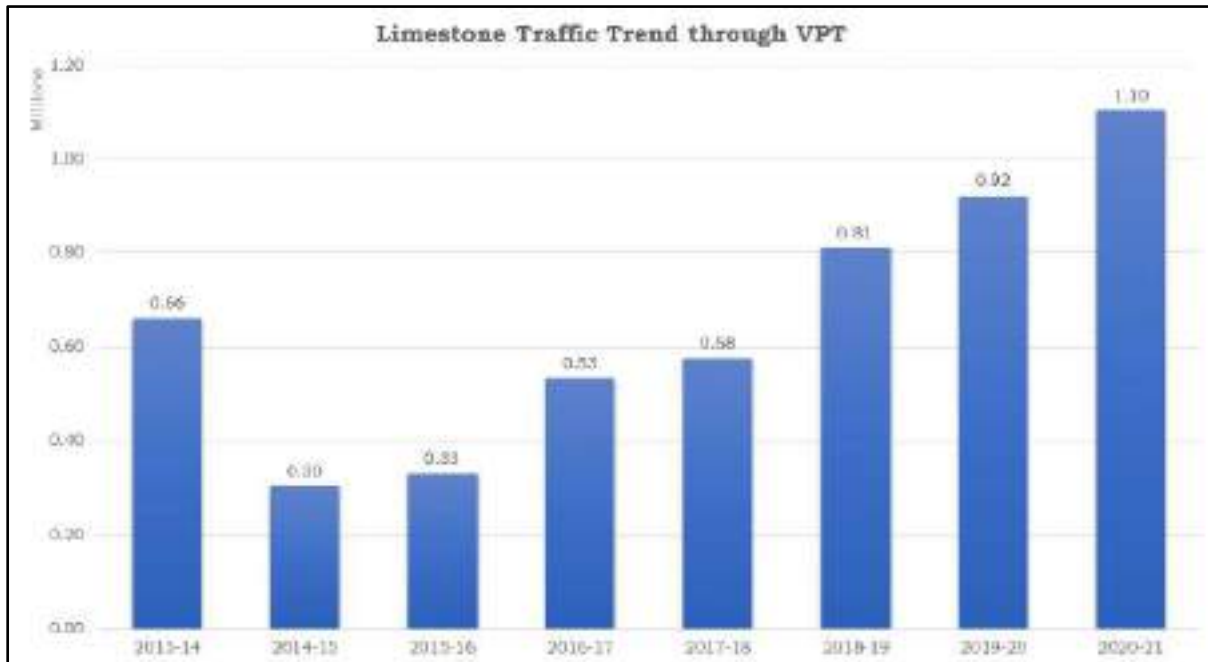
Other important uses are as raw material in the manufacture of quicklime (calcium oxide), slaked lime (calcium hydroxide) and mortar. Pulverised limestone is used as a soil conditioner to neutralise acidic soils (agricultural lime). It is used in sculptures because of its suitability for carving. It is often found in medicines and cosmetics. In some circumstances, limestone is used for glass making.

Limestone production from Kurnool, Andhra Pradesh and from Adilabad in Telangana is used in paper mills, sugar, cement and steel plants. Tile, mosaic, chip and polished stone makers also use limestone.

India is largest importer of limestone, with 48% market share among all importing nations. The demand of raw materials for cement, such as, limestone and gypsum are expected to cause disruptive growth in the next few decades.

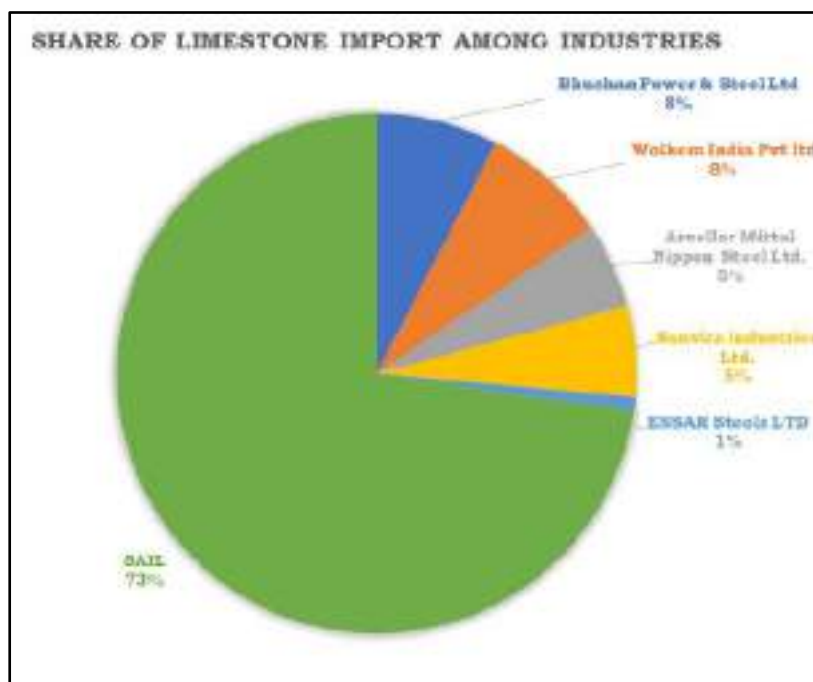
#### **4.6.4.2 Limestone - Traffic Characteristics at VPA**

VPA handled around 1.10 million tonnes of limestone in Yr 2020-21 which is around 20% increase compared to traffic handled in Yr 2019-20. The past trend towards traffic handled through VPA is presented in **Figure 4-27** below.



**Figure 4-27 : Limestone Cargo Traffic Tred through VPA**

SAIL is the largest importer of the limestone through VPA accounting for around 73% of the total import based on traffic data for year 2020-21. It is observed that 92% of the limestone import at VPA is influenced by iron and steel industry as observed on the basis of **Figure 4-28**.

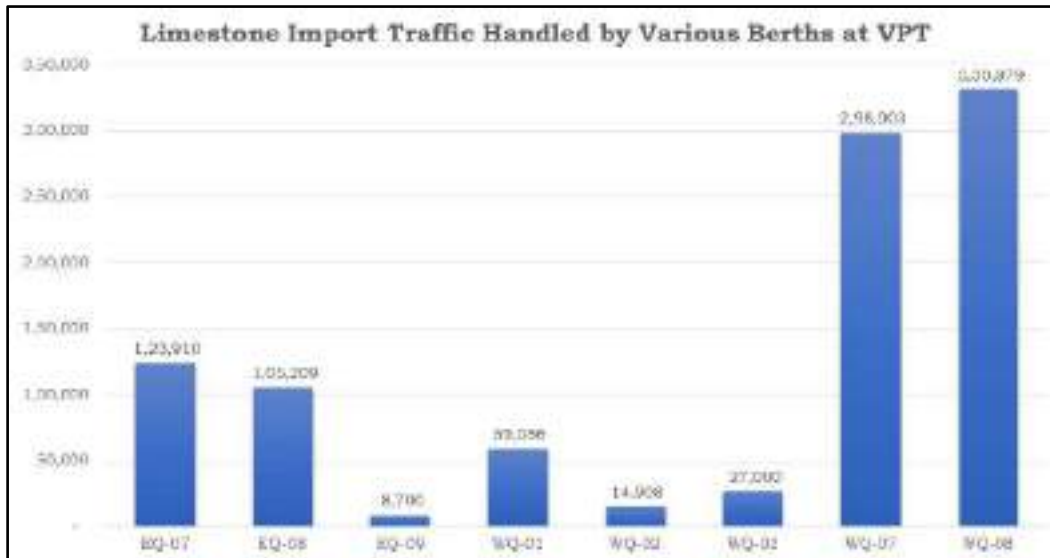


**Figure 4-28 : Share of Limestone Imports based on Industries at VPA**



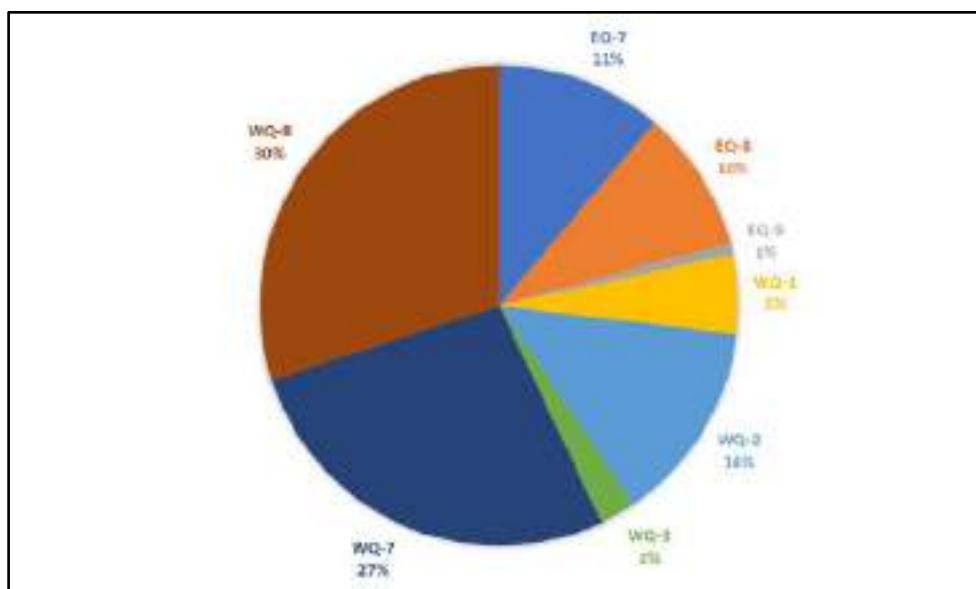


The major share of limestone was handled by berth WQ-07 & WQ-08 which are recently been upgraded and mechanized. The limestone handled through various berths at VPA during Yr 2020-21 is presented info graphically in **Figure 4-29** below.



**Figure 4-29 : Limestone Import Traffic Handled by Various Berths at VPA**

Berth EQ-06 handled on an average around 6% of the traffic through VPA between Yr 2015-16 to Yr 2018-19. Post which the limestone traffic through berth EQ-06 has come down to nil due to major shift of the traffic to berth WQ-07 & WQ-08. The proportion of traffic handled by various berths during year 2020-21 is as presented in **Figure 4-30** below.



**Figure 4-30 : Limestone - Traffic Proportions at Various Berths at VPA**



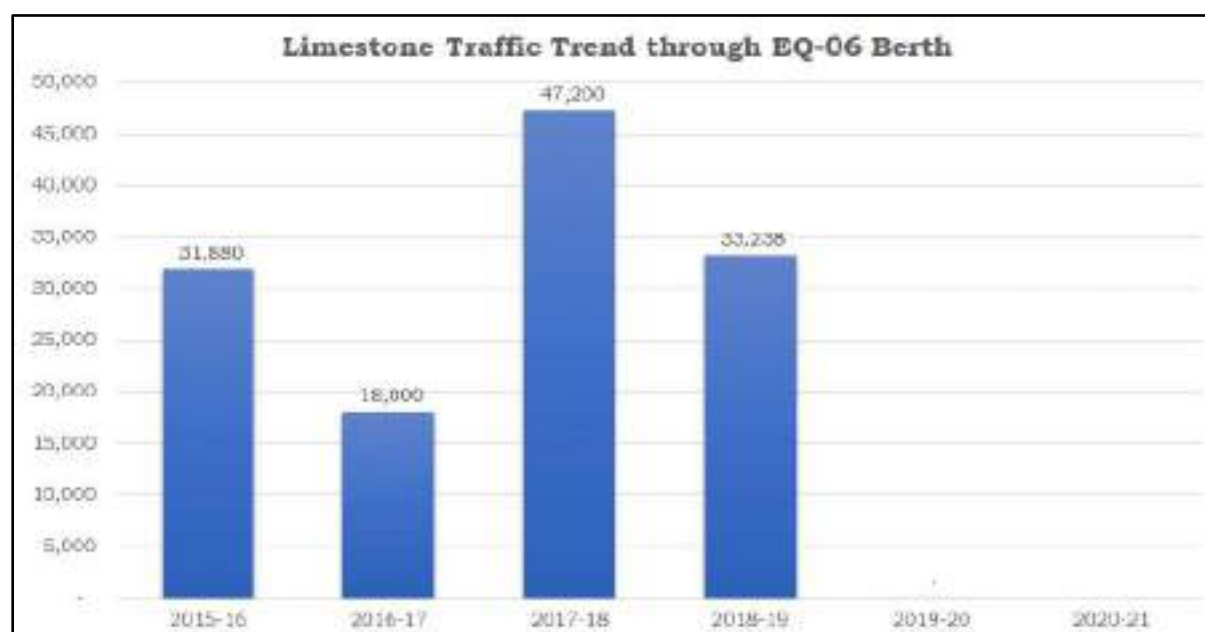
#### 4.6.4.3 Limestone - Forecast Considerations

The limestone traffic will be driven by the iron and steel industry. Based on the discussion with various stakeholders it was understood that India lacks sufficient deposits of limestone grade required for iron and steel industry and the same needs to be imported. The growth potential for the limestone import at VPA is as presented in the **Table 4-11** below.

**Table 4-11 : Growth Forecast Assumptions for Limestone**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 to Yr 2030	7.2%	Growth rate anticipated due to envisaged production capacity addition under National Steel Policy 2017
	Yr 2031 to Yr 2052	As per GDP growth forecast	Link: <a href="https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html">https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html</a>

The limestone import through berth EQ-06 has come to nil since year 2019-20 owing to the major shift of the cargo to berth EQ-07. The traffic trend through berth EQ-06 is presented in the **Figure 4-31** below.



**Figure 4-31 : Limestone Import Traffic Handled by Berth EQ-06**

Based on the future traffic considerations for berth EQ-07, it is assumed that some of the lime cargo traffic has potential to be shifted to EQ-06. Hence, it is assumed



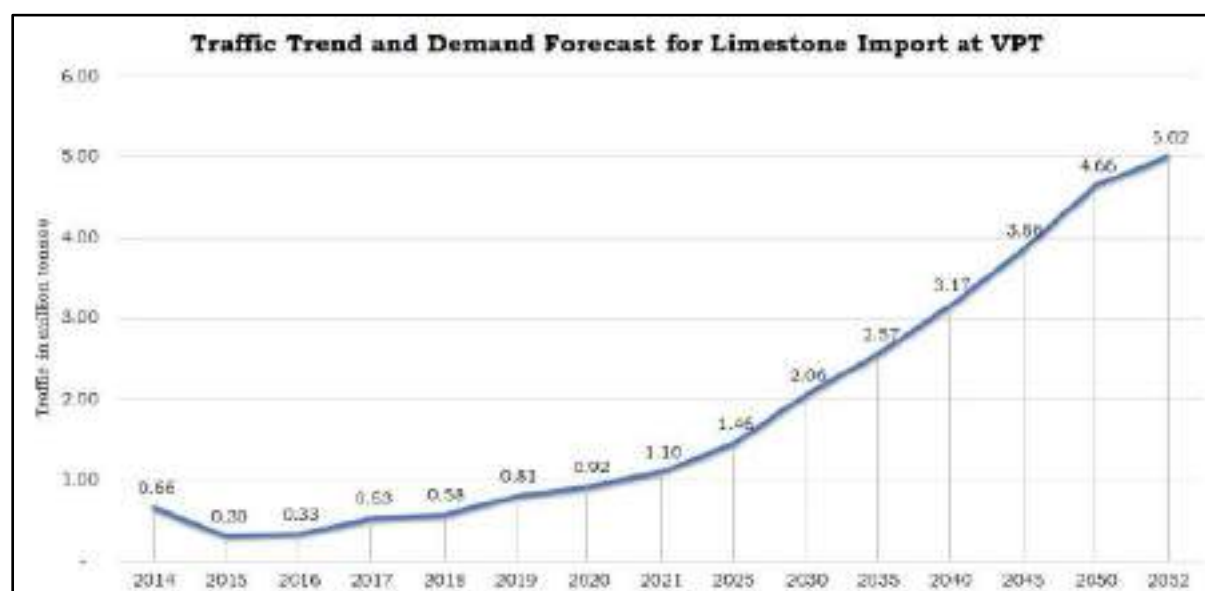
that berth EQ-06 would handle around 6% of the total traffic, which is equivalent to average traffic handled in the past at berth EQ-06.

Based on the assumptions towards growth potential and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-12** below.

**Table 4-12 : Limestone - Traffic Forecast Summary for VPA and Berth EQ-06**

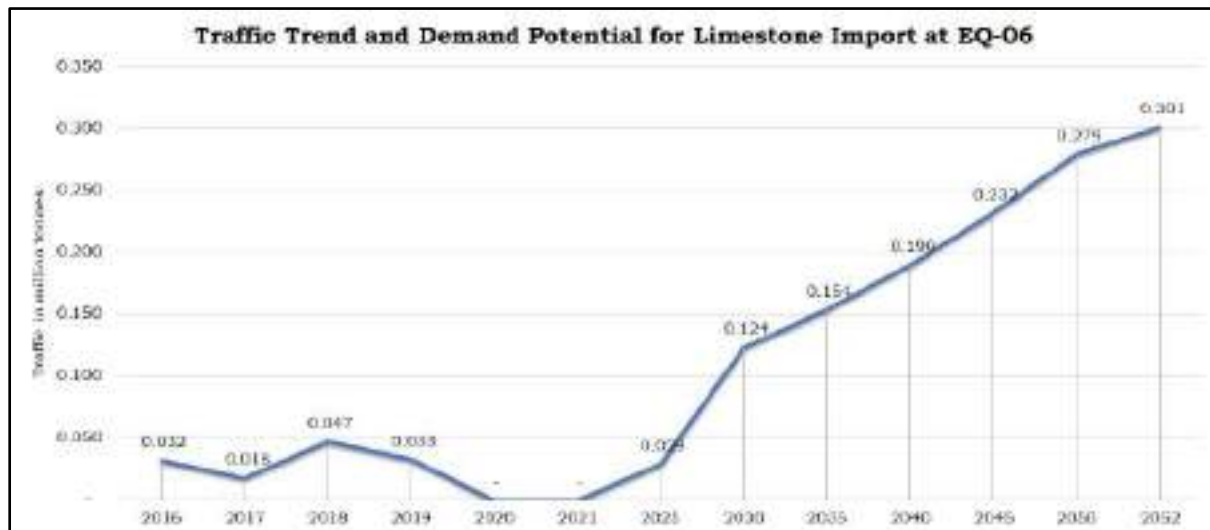
Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2051
<b>Traffic Forecast through VPA (in Million Tonnes)</b>								
<b>Base Scenario</b>	1.10	1.46	2.06	2.57	3.17	3.86	4.66	5.02
<b>Traffic Forecast through Berth EQ-06 (in Million Tonnes)</b>								
	0%	2%	6%	6%	6%	6%	6%	6%
<b>Base Scenario</b>	0.000	0.029	0.124	0.154	0.190	0.232	0.279	0.301

The **figure** below provides the info-graphic representation of traffic demand forecast for Limestone through VPA.



**Figure 4-32 : Traffic Trend and Demand Forecast for Limestone Import at VPA**

Further, the traffic trend and demand forecast potential for limestone import at berth EQ-06 is as presented in the figure below.



**Figure 4-33 : Traffic Trend and Demand Potential for Limestone Import at Berth EQ-06**

#### 4.6.5 Caustic Soda

##### 4.6.5.1 Introduction

Caustic Soda (chemically known as sodium hydroxide) and chlorine are produced together through the electrolysis of common salt solution (sodium chloride or brine). Caustic soda and Chlorine are generated in the ratio of 1:0.89. Demand for chlorine drives caustic soda production globally, but in India the industry has developed in line with the demand-supply balance of caustic soda.

Globally the total capacity of caustic soda is estimated to be around 101 million tonnes in 2014. China has the highest caustic soda capacity at 47.5 million tonnes, accounting for 47% of world capacity. North America has a capacity of 17 million tonnes.

India had a capacity of 3.3 million tonnes in 2014 and accounted for 4% of the global caustic soda capacity<sup>4</sup>. The production capacity of India has increased to about 4.54 million tonnes as on Yr 2020 while the production has reached 3.6 million tonnes<sup>5</sup>.

<sup>4</sup> Source: Handbook on Chemical Industry, FICCI (India Chem, 2016)

<sup>5</sup> Source: Caustic Soda-Alkali Manufacturers Association of India (AMAI) [<http://ama-india.org>]



The key end user industries of caustic soda in India are textiles, alumina, paper, inorganics, soaps and detergents and pesticides. Textiles are the largest end-use industry accounting for 22% of the total caustic soda consumption in FY15. In the textile industry, caustic soda is used in processing of cotton fibres and bleaching of fabrics. Alumina is the second largest end-use industry accounting for 16% of the total caustic soda consumption. Caustic soda is used in processing of bauxite ore in the aluminium industry. The processing of bauxite ore gives alumina which is in turn used in the manufacturing of aluminium. Paper and Inorganics accounted for 11% and 8% respectively of total caustic soda consumption in FY15. In the paper industry it is used in water treatment, de-inking of waste paper and as a raw material in pulping and bleaching processes<sup>6</sup>.

Taking into consideration the demand prospects, the demand for caustic soda is projected to grow at a CAGR of 6.57% to reach 7.5 million tonnes by 2030<sup>7</sup>.

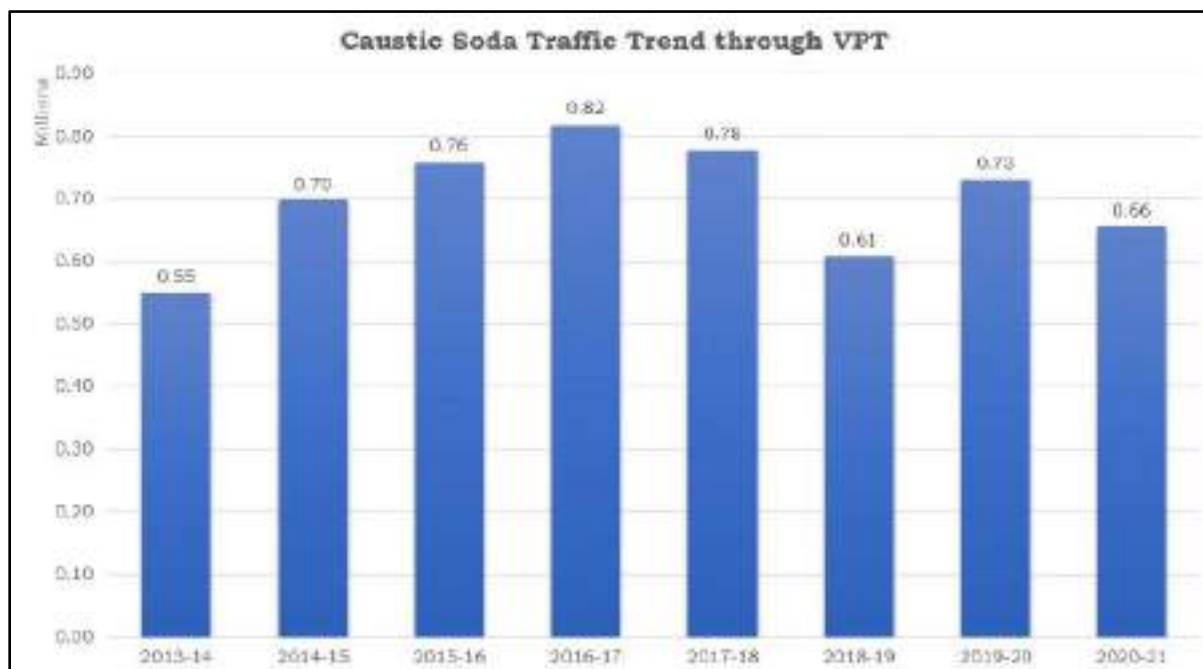
#### **4.6.5.2 Traffic Characteristics at VPA**

VPA handled around 0.66 million tonnes of caustic soda in Yr 2020-21 which is around 10% reduction over preceding Yr 2019-20. The past trend towards traffic handled through VPA is presented in **Figure 4-34** below.

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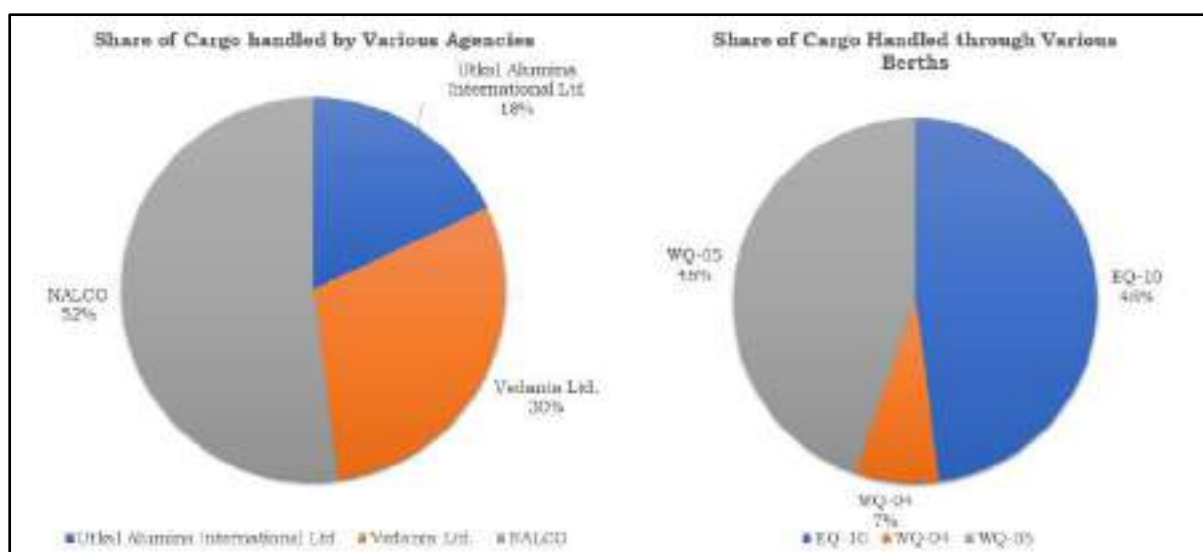
<sup>6</sup> Source: Handbook on Chemical Industry, FICCI (India Chem, 2016)

<sup>7</sup> Source: India Caustic Soda Comprehensive Techno-Commercial Market Analysis and Forecast, 2013-2030



**Figure 4-34 : Caustic Soda Traffic Trend through VPA**

Utkal Alumina International Ltd., NALCO and Vedanta Ltd. Handled caustic soda through VPA. The cargo was majorly handled through EQ-10, WQ-04 & WQ-05. The share of cargo handled by various organizations and through various berths is presented in **Figure 4-35** below.



**Figure 4-35 : Share of Cargo handled by various Entities and through Various Berths at VPA**



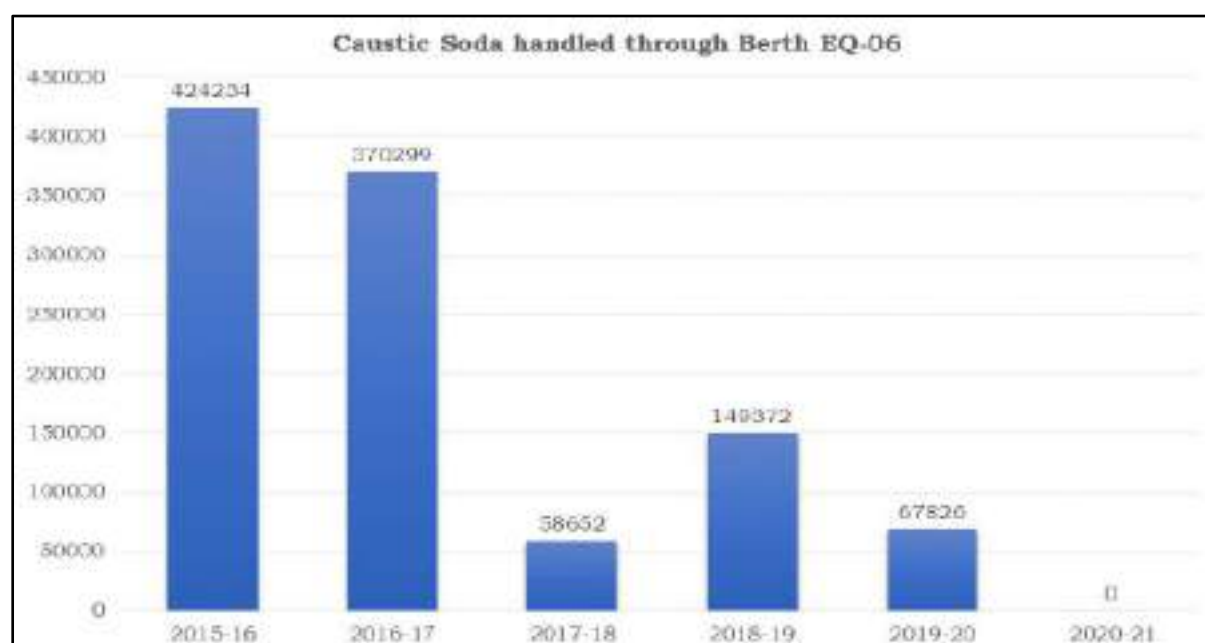
#### 4.6.5.3 Caustic Soda - Forecast Considerations

The caustic soda is being imported mainly by aluminium manufacturing industries. Taking into consideration past trend and market demand assessment, the growth potential for caustic soda is as presented in the **Table 4-13** below.

**Table 4-13 : Growth Forecast Assumptions for Caustic Soda**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 To Yr 2030	4.87%	CAGR observed in import of Caustic Soda at VPA from Yr 2014 to Yr 2020 - Prior to drop in traffic through VPA
	Yr 2031 to Yr 2052	2.55%	CAGR observed in import of Caustic Soda at VPA from Yr 2014 to Yr 2021

Berth EQ-06 is connected to a tank farm through an underground pipeline network. Though this pipeline, the berth used to handle the Caustic Soda until year 2019-20. The traffic trend for caustic soda through berth EQ-06 is as presented in the figure below.



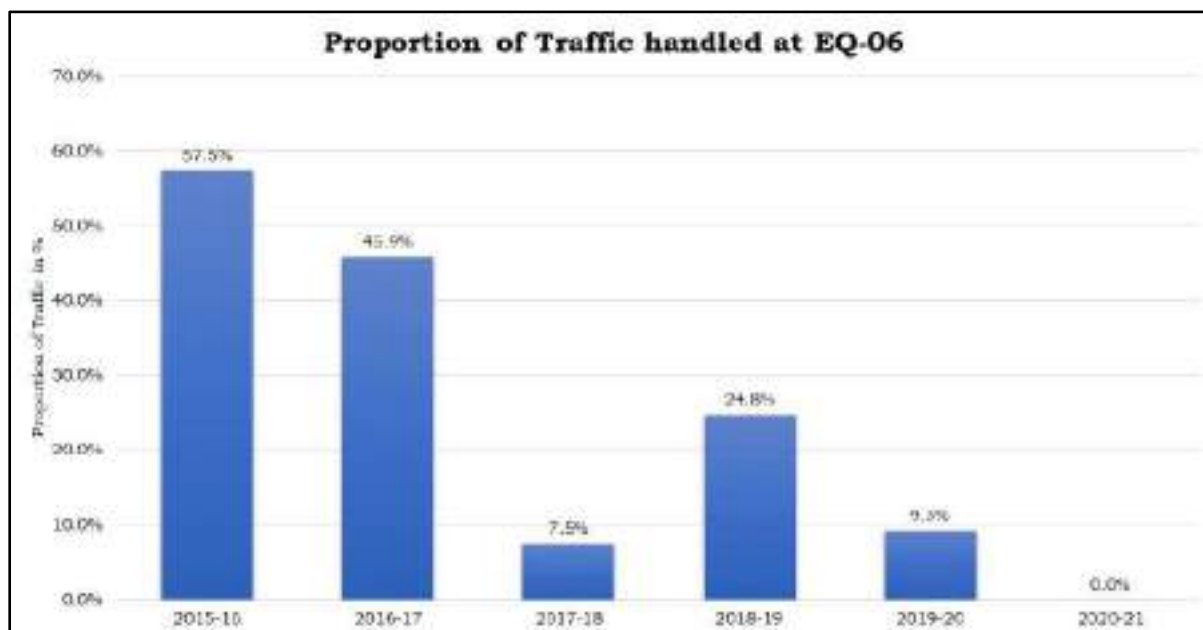
**Figure 4-36 : Caustic Soda Handled through EQ-06 Berth**

Berth EQ-06 handled caustic soda since 2015-16 based on the traffic data reviewed for the duration of 2013-14 to 2020-21. The proportion of traffic handled at berth EQ-06 has gradually reduced from 57.5% in year 2015-16 to 0% in year 2020-21 as





presented in the figure below owing to the proportional increase in the capacity at other berths.



**Figure 4-37 : Proportion of Traffic HAdnled by Berth EQ-06**

Taking into consideration the capacity at other berths as well as existing infrastructure at berth EQ-06, it is assumed that the in the future 5% of the caustic soda traffic will still be handled through berth in order to maintain the operationality of the infrastructure.

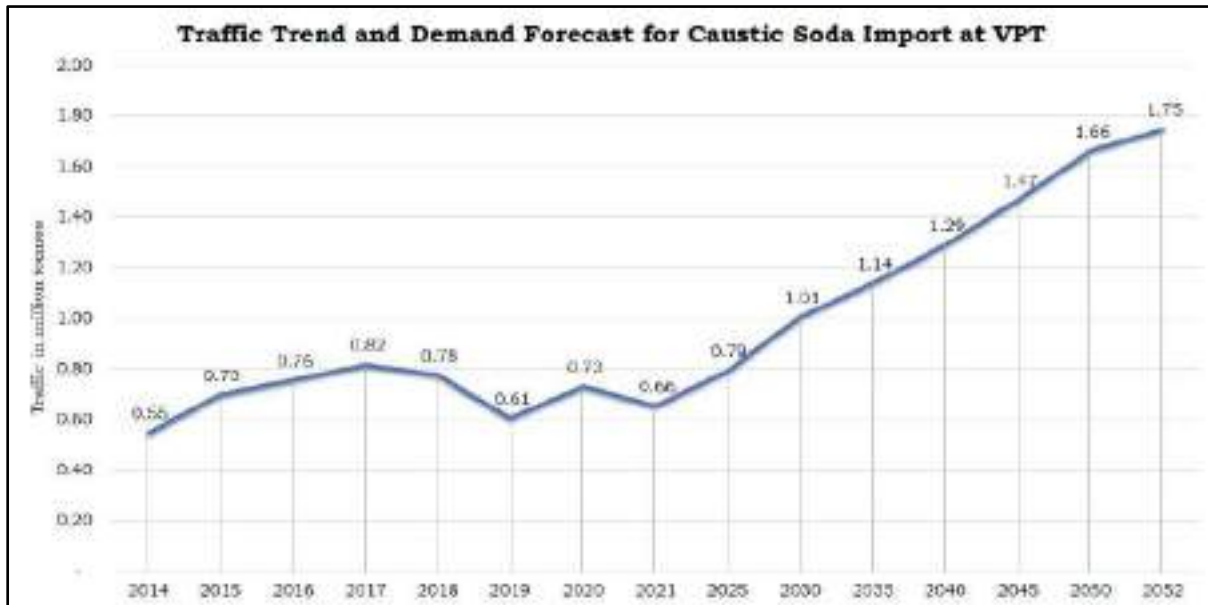
Based on the assumptions towards growth potential and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-14** below.

**Table 4-14 : Caustic Soda - Traffic Forecast Summary for VPA and Berth EQ-06**

Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.66	0.79	1.01	1.14	1.29	1.47	1.66	1.75
<b>Traffic Forecast at Berth EQ-06 (in million tonnes)</b>								
		0.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Base Scenario</b>		0.007	0.050	0.057	0.065	0.073	0.083	0.087

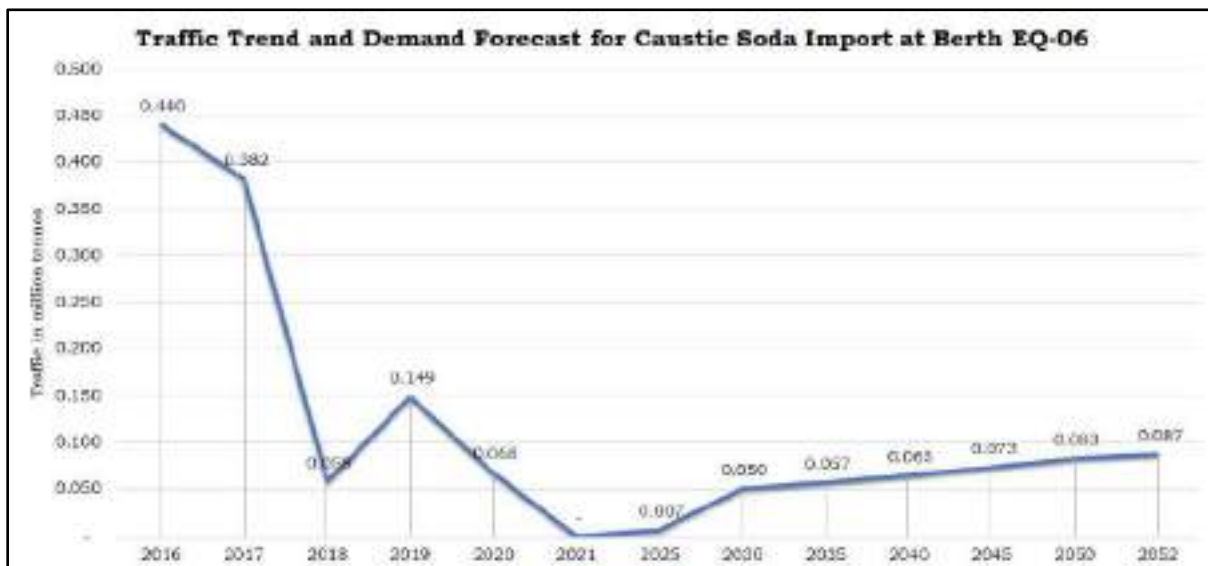
The **figure** below provides the info-graphic representation of traffic demand forecast for Caustic Soda through VPA.





**Figure 4-38 : Caustic Soda Traffic Scenario through VPA**

Further, the traffic trend and demand forecast potential for caustic soda import through berth EQ-06 is presented in the **figure** below.



**Figure 4-39 : Traffic Trend and Demand Forecast for Casustic Soda Import At EQ-06 Berth**



## **4.6.6 Phosphoric Acid**

### **4.6.6.1 Introduction**

Phosphoric acid, also referred to as phosphoric (V) acid or orthophosphoric acid is one of the popular and most used acids. As such, the raw form of this acid is extracted from phosphate rocks, whereas more pure form is produced industrially from white phosphorus. Pure phosphoric acid is usually in a crystalline solid-state and in less concentrated form. Generally, it is a colourless, syrupy, odourless, and non-volatile liquid.

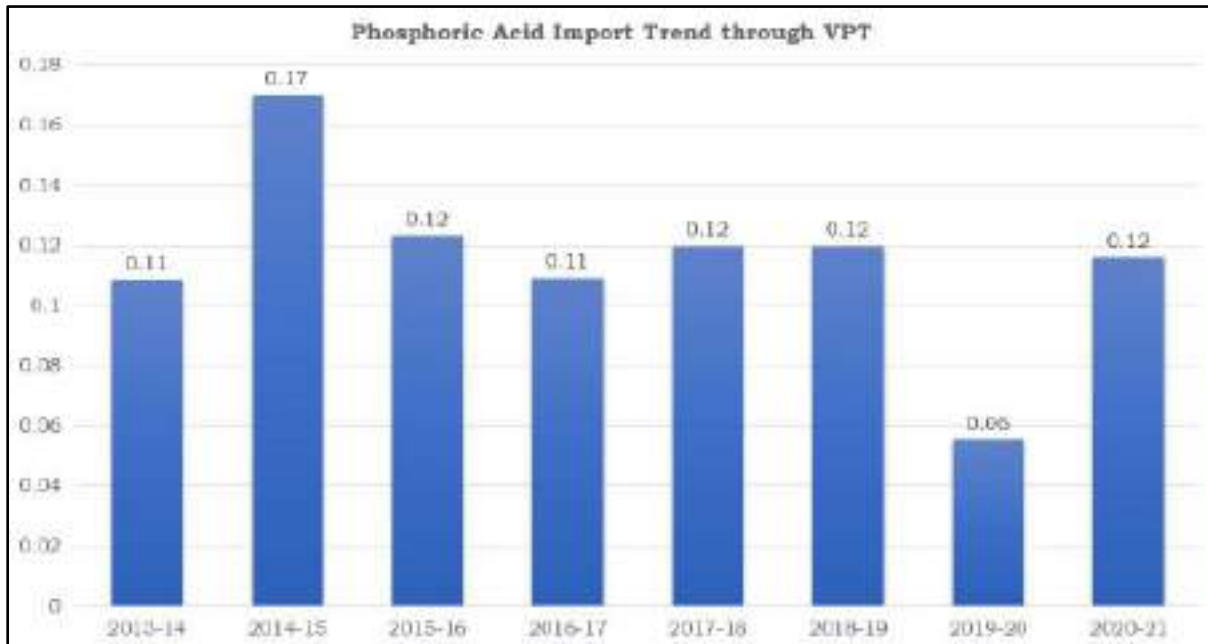
Phosphoric acid which is also a mineral acid is represented by the formula  $H_3PO_4$  and it contains one atom of phosphorus, four atoms of oxygen and three atoms of hydrogen.

Phosphoric acid is a component of fertilizers (80% of total use), detergents, and many household cleaning products. Dilute solutions have a pleasing acid taste; thus, it's also used as a food additive, lending acidic properties to soft drinks and other prepared foods, and in water treatment products. It is also used in rust proofing, engraving, and metal coating and is an intermediate or reagent in many manufacturing processes. Phosphoric acid also occurs naturally in many fruits and their juices. Apart from use of phosphoric acid itself, the greatest consumption of phosphoric acid is in the manufacture of phosphate salts. Taking advantage of its ability to lower blood pH, phosphoric acid has been used therapeutically to treat lead poisoning.

The demand for phosphoric acid in India stood at 4,948 KTPA in 2018 and is projected to grow at a CAGR of 5.96% during 2019-2030 to reach 8,773 KTPA by 2030. Growing consumption of phosphoric acid can be attributed to rising demand for fertilizers to meet increasing food demand in the country.

### **4.6.6.2 Traffic characteristics at VPA**

VPA handled around 0.12 million tonnes of phosphoric acid in Yr 2020-21 which is almost twice compared to that handled over preceding Yr 2019-20. The past trend towards traffic handled through VPA is presented in figure below.



**Figure 4-40 : Phosphoric Acid Traffic Trend through VPA**

The existing Phosphoric acid demand is primarily towards Coromandel industries Ltd. which is used as a raw material in the fertilizer manufacturing. The berth EQ-06 has an underground pipeline network which is connected to Coromandel Ltd.'s own tank farm as presented in the **Figure 4-41** below. The berth outlet of the pipeline is located near the junction of the berth EQ-06 and EQ-07.

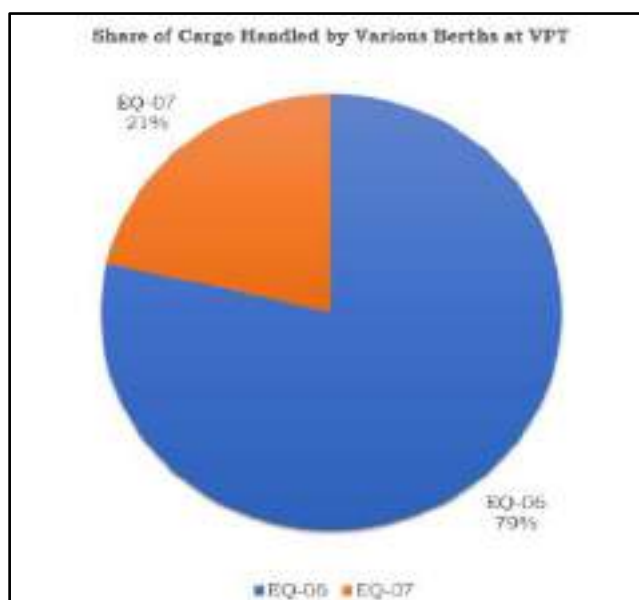


**Figure 4-41 : Pipeline Outlet on Berth EQ-06**



**Figure 4-42 : Phosphoric Acid Tank Farm of Coromandel Industries Ltd. in VPA**

Due to the direct connectivity, the entire phosphoric acid cargo is being handled through berth EQ-06 and EQ-07 as presented in the **Figure 4-43** below.



**Figure 4-43 : Share of Cargo Handled by Various Berths at VPA**

#### 4.6.6.3 Forecast Considerations

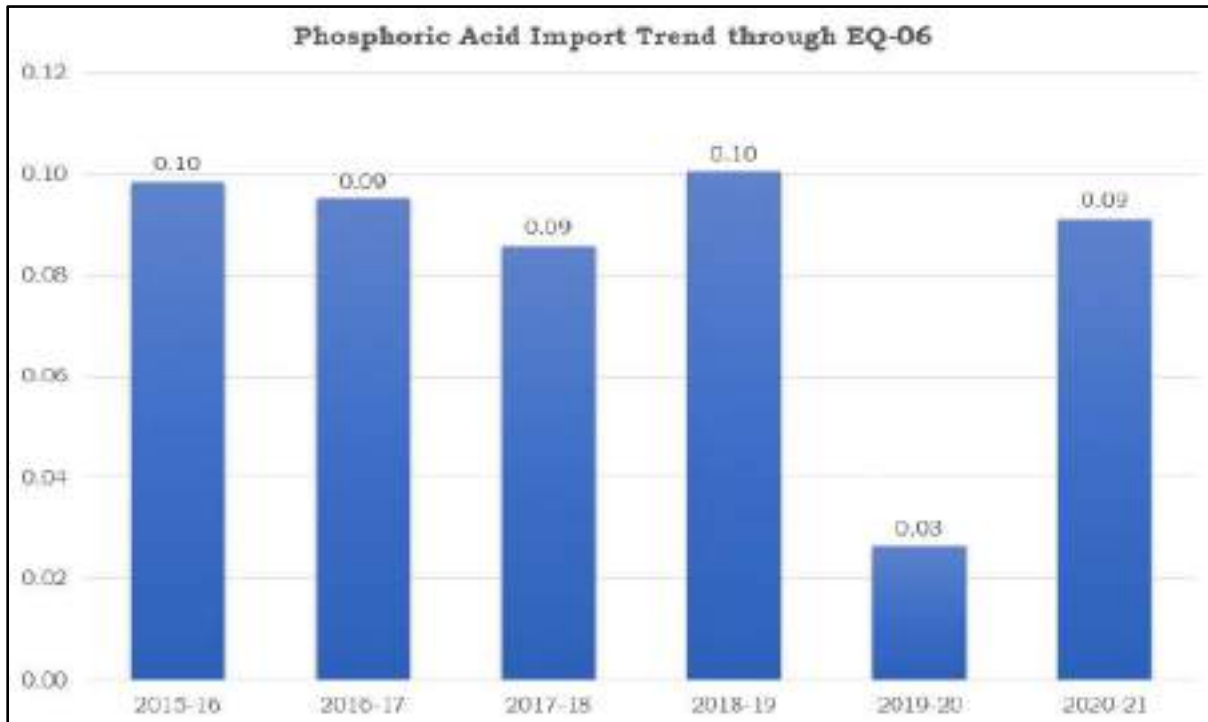
The demand for the phosphoric acid will be lead by the future prospects of the industry as well as envisaged plans by coromandel Ltd. Based on the past trend and discussion with stakeholders, the growth potential for the phosphoric acid through VPA is as presented in the **Table 4-15** below.

**Table 4-15 : Growth Forecast Assumptions for Phosphoric Acid**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 To Yr 2030	5.96%	As per India Phosphoric Acid Report 2019; the import to grow at around 5.96% until Yr 2030
	Yr 2031 to Yr 2052	1.8%	The avg. growth rate observed in the fertilizer consumption of India

The berth EQ-06 is primary berth for phosphoric acid handling. The traffic trend for the berth EQ-06 is as presented in the **Figure 4-44** below.

In addition to this, berth EQ-07 is envisaged to handle fertilizer dry bulk primarily in the future, thus it is assumed based on the future traffic prospects of berth EQ-07 that share of traffic handled by EQ-06 will increase to 100% from existing 80%.



**Figure 4-44 : Phosphoric Acid Import Traffic Trend through EQ-06**

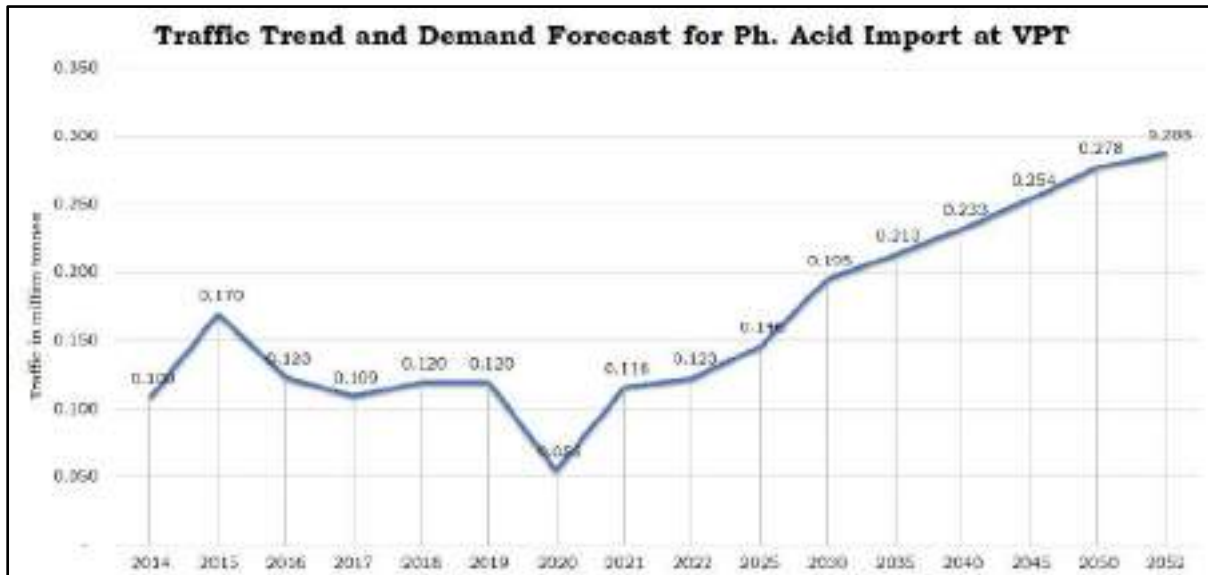
Based on the assumptions towards growth potential and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-16** below.

**Table 4-16 : Phosphoric Acid - Traffic Forecast Summary for VPA and Berth EQ-06**

Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2051
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.116	0.146	0.195	0.213	0.233	0.254	0.278	0.288
<b>Traffic Forecast through Berth EQ-06 (in million tonnes)</b>								
		100%	100%	100%	100%	100%	100%	100%
<b>Base Scenario</b>	0.091	0.146	0.195	0.213	0.233	0.254	0.278	0.288

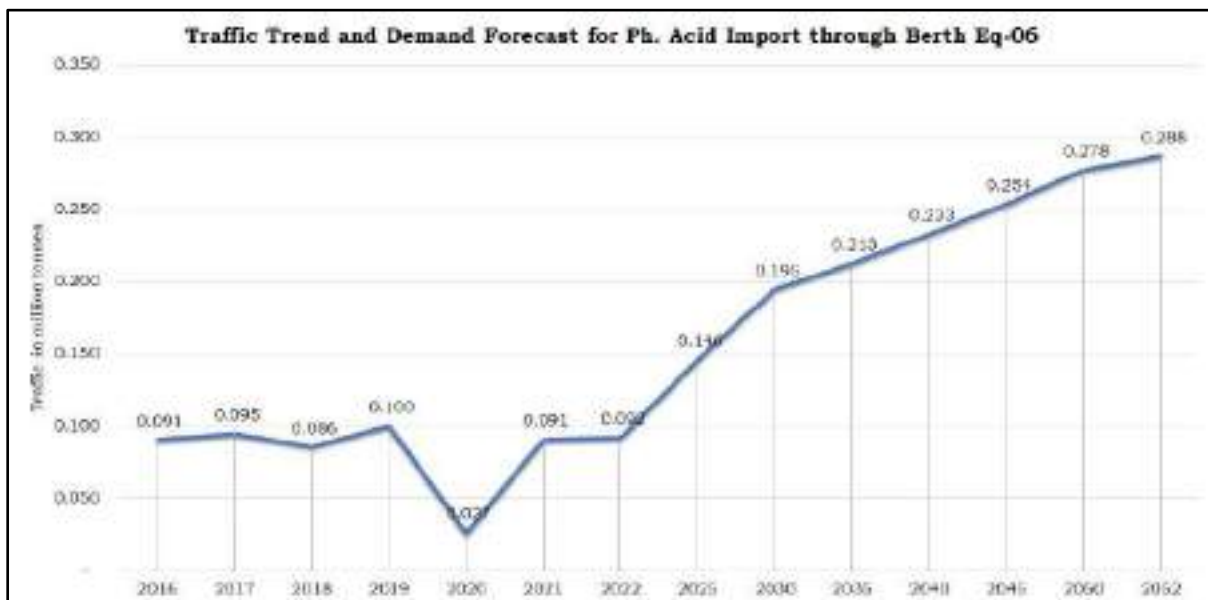
The **Figure 4-45** below provides the info-graphic representation of traffic demand forecast for Phosphoric Acid through VPA.





**Figure 4-45 : Phosphoric Acid Traffic Scenario through VPA**

Further, the traffic trend and demand forecast potential for Ph. Acid import through berth EQ-06 is as presented in the **Figure 4-46** below.



**Figure 4-46 : Traffic Trend and Demand Forecast for Ph. Acid Import through Berth EQ-06**



## **4.6.7 Ammonium Nitrate**

### **4.6.7.1 Introduction**

Pure ammonium nitrate ( $\text{NH}_4\text{NO}_3$ ) is a white, water-soluble, crystalline substance with a melting point of  $170^\circ\text{C}$ . The substance is classified as an oxidising agent Class 5.1 (UN1942). It is one of the base ingredients used in the manufacture of commercial explosives.

Import of Ammonium Nitrate is presently regulated under Ammonium Nitrate Rules, 2012. As per DGFT Notification No. 34(RE-2103)/2009-2014 dated 14/08/2013, the revised import policy of item 'Ammonium Nitrate' whether or not in aqueous solution' under Exim Code 3102 30 00 in Chapter 31 of the ITC(HS), 2012 Schedule I (Import Policy). As per the policy condition, import of Ammonium Nitrate having the chemical formula  $\text{NH}_4\text{NO}_3$  or any combination containing more than 45 percent Ammonium Nitrate by weight including emulsions, suspensions, melts or gels ( with or without inorganic nitrates) would require the approval of Chief Controller of Explosives (CCE/PESO). Ports for import of AN have also been notified by Ministry of Shipping vide Notification No. GSR2182(E) dated 16th July, 2013.

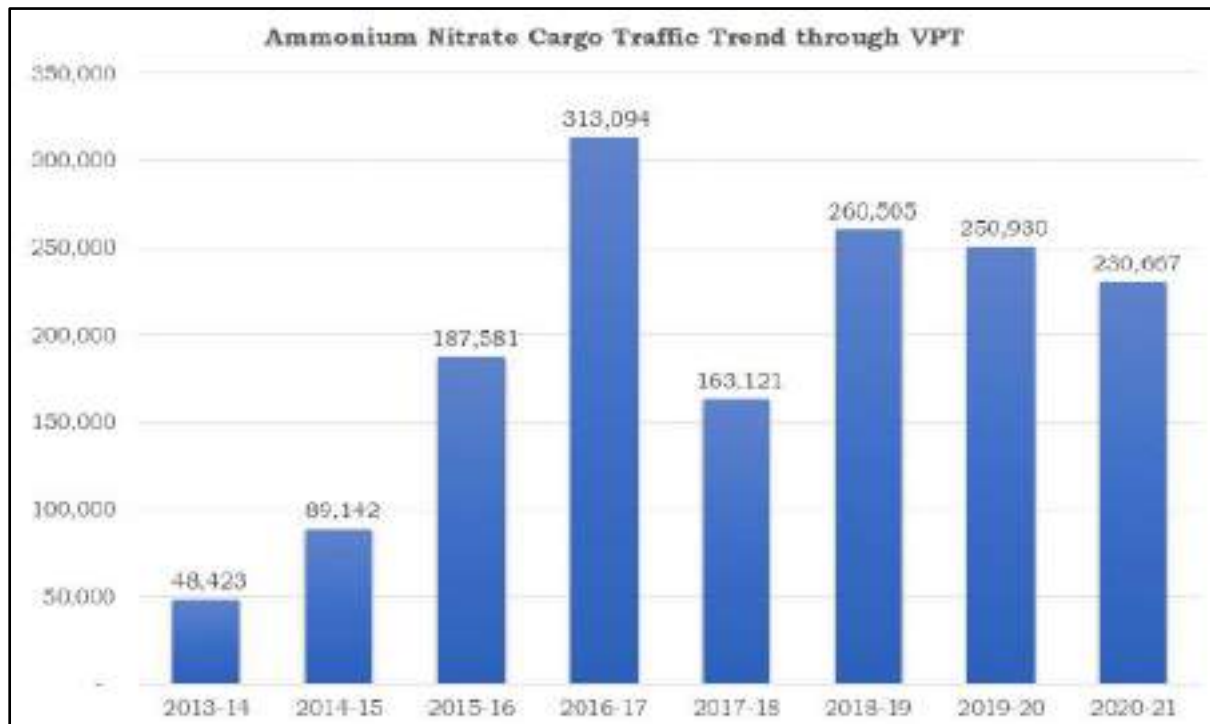
The estimated requirement of AN by the explosives industries is approx. 6,00,000 MT annually.

As per statistics for Yr 2015, India consumes about 7,00,000 tonnes of AN, a basic raw material for producing civil explosives used in mining and infrastructure industry. While about 15 per cent of ammonium nitrate consumed in India is imported. Based on the current regulation as per GoI, Ammonium Nitrate has to be imported in bagged form only irrespective of quantity in each bag and the consignment has to be packed at the point of origin.

### **4.6.7.2 Ammonium Nitrate - Traffic Characteristics at VPA**

Ammonium nitrate is primarily being handled in bulk form as it is imported as bagged cargo. VPA handled around 0.12 million tonnes of phosphoric acid in Yr 2020-21 which is almost twice compared to that handled over preceding Yr 2019-20. The past trend towards traffic handled through VPA is presented in **Figure 4-47** below.





**Figure 4-47 : Ammonium Nitrate Cargo Traffic Trend through VPA**

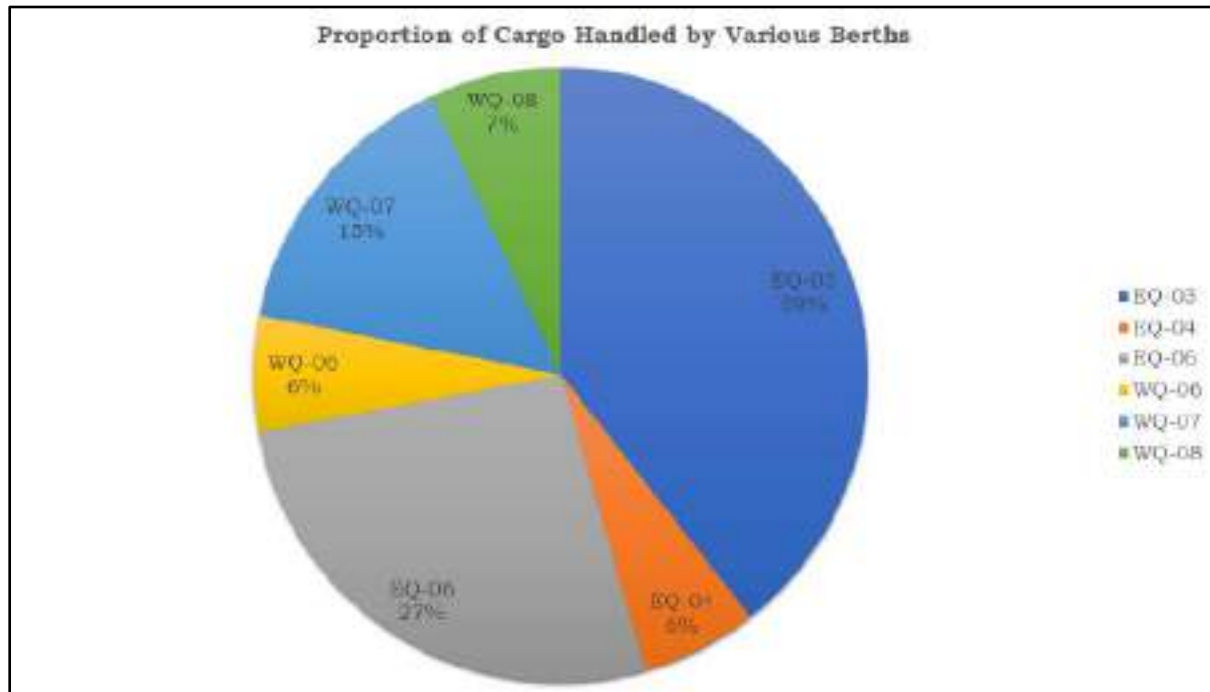
IDL Explosives, Special Blast, Solar Industries and Black Diamond are among the major importers of the Ammonium Nitrate accounting for over 70% of the total import through VPA. The share of imports by various industries based on the traffic handled in Yr 2020-21 is presented in **Figure 4-48** below.





**Figure 4-48 : Ammonium Nitrate Import Distribution based on Agencies**

EQ-03 and EQ-06 has the major share in terms of Ammonium Nitrate being handled through VPA as presented in **Figure 4-49** below.



**Figure 4-49 : Share of Cargo Handled by Various Berths at VPA**

#### 4.6.7.3 Forecast Considerations

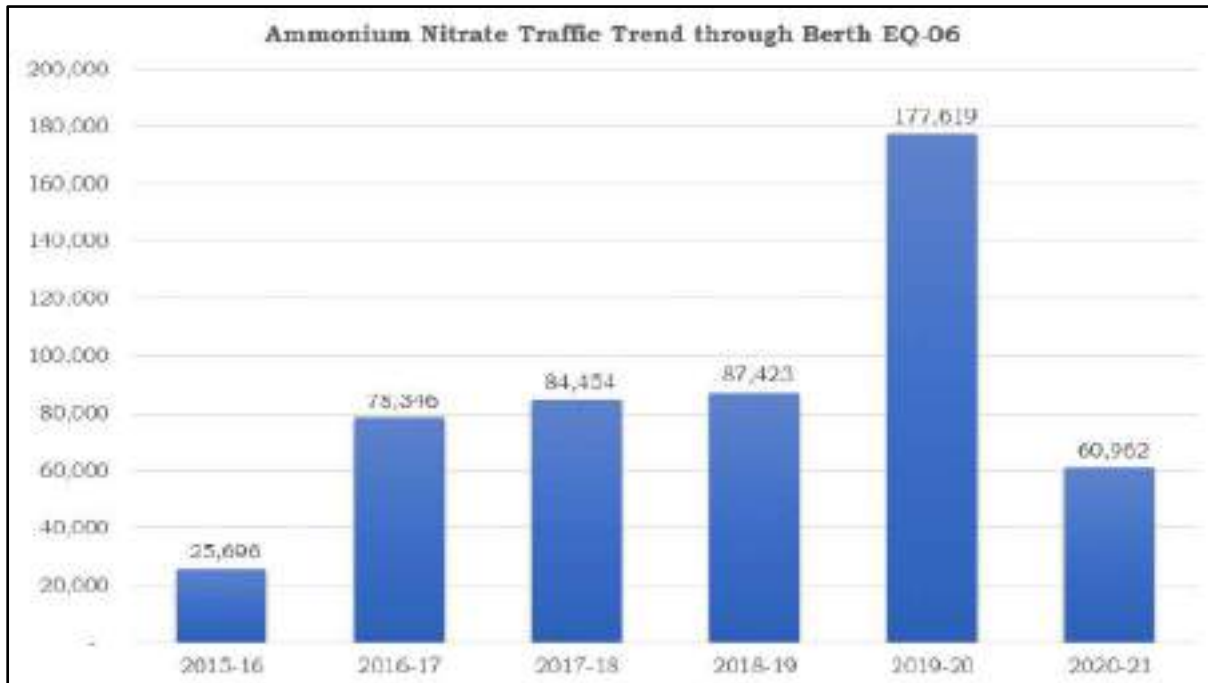
The ammonium nitrate demand is influenced primarily by the demand from mining and relevant status. Based on the review of past trend and discussion with various stakeholders, the growth potential for Ammonium Nitrate import is as presented in the **Table 4-17** below.

**Table 4-17 : Growth Forecast Assumptions for Ammonium Nitrate**

Scenario	Duration	Growth	Considerations
Base Case Scenario	Yr 2021 To Yr 2030	4.22%	CAGR observed in import of Ammonium Nitrate at VPA from Yr 2016 to Yr 2021
	Yr 2031 to Yr 2052	As per GDP growth forecast	Link: <a href="https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html">https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html</a>



Berth EQ-06 handled only 60,962 tonnes of ammonium nitrate in Yr 2020-21 which is almost one third of handled in preceding year. The traffic handling trend through Berth EQ-06 is presented in **Figure 4-50** below.



**Figure 4-50 : Ammonium Nitrate Traffic Trend through Berth EQ-06**

In order to arrive at the potential traffic which can be handled through berth EQ-06 it is assumed that, the proportion of traffic which is around 30% in year 2020, will gradually increase to around 35% over the time which is equivalent to average traffic handled at EQ-06 in the past.

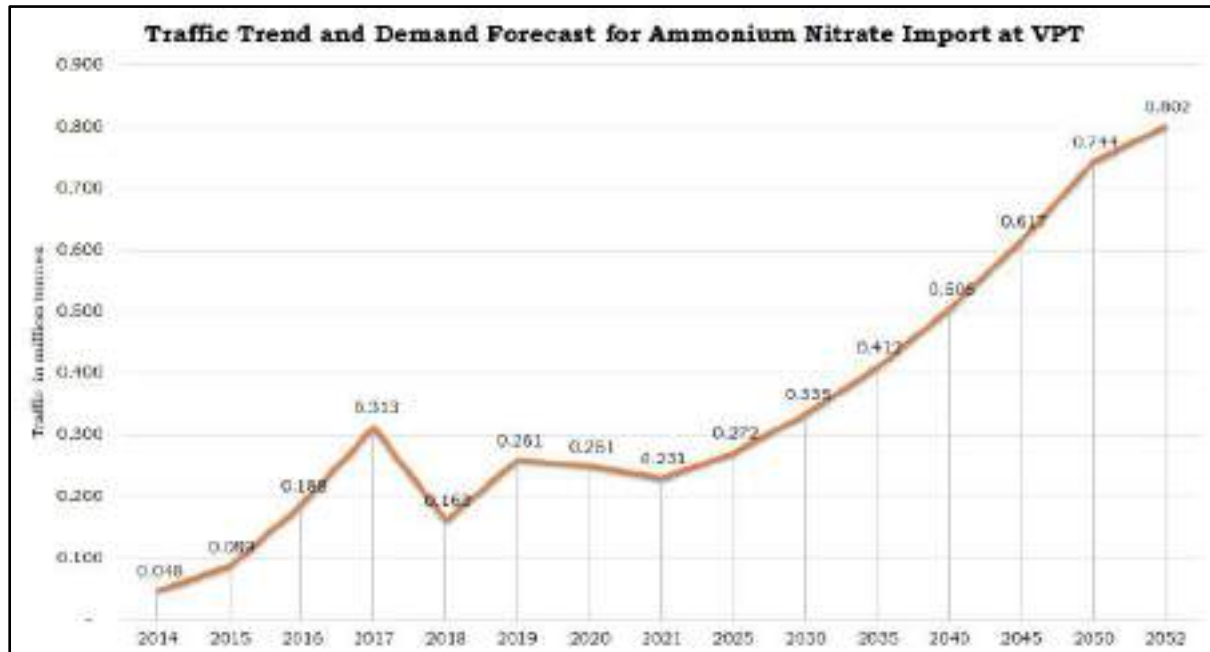
Based on the assumptions towards growth potential and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-18** below.

**Table 4-18 : Ammonium Nitrate - Traffic Forecast Summary for VPA and Berth EQ-06**

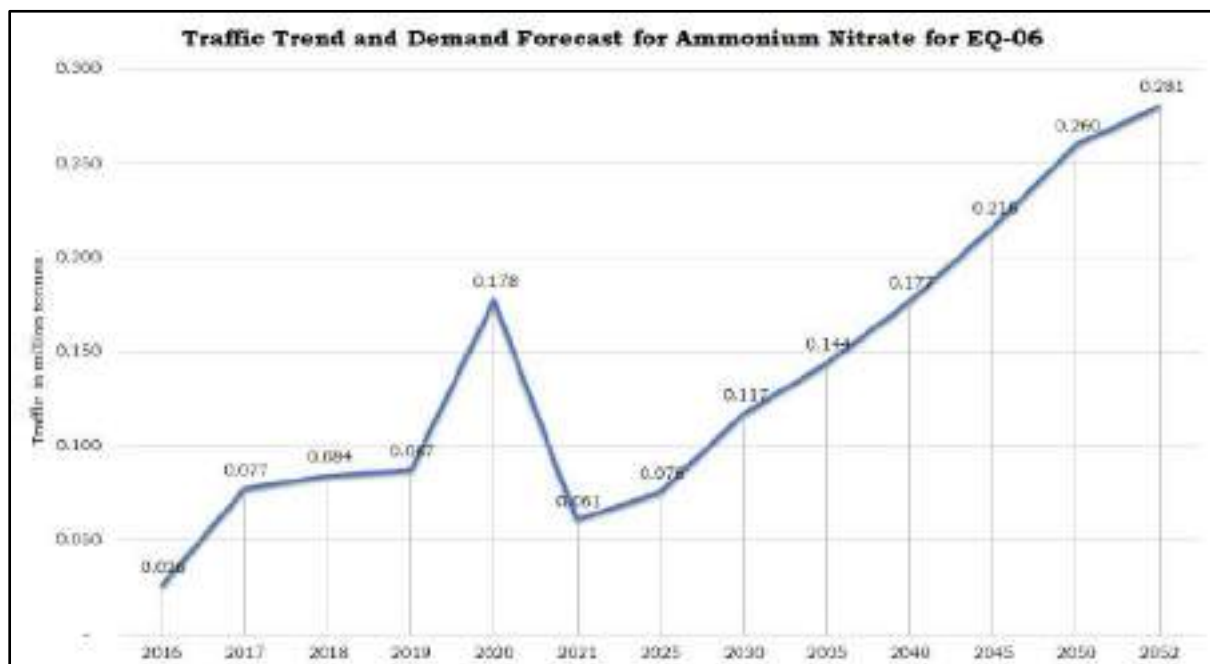
Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.231	0.272	0.335	0.412	0.506	0.617	0.744	0.802
<b>Traffic Forecast through Berth EQ-06 (in million tonnes)</b>								
	26.4%	27.9%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
<b>Base Scenario</b>	0.061	0.076	0.117	0.144	0.177	0.216	0.260	0.281



The **Figure 4-51** and **Figure 4-52** below provides the info-graphic representation of traffic demand forecast for Ammonium Nitrate through VPA and share of Berth EQ-06 respectively.



**Figure 4-51 : Traffic Trend and Demand Forecast for Ammonium Nitrate Import at VPA**



**Figure 4-52 : Traffic Trend and Demand Forecast for Ammonium Nitrate for EQ-06**



## **4.6.8 Calcined Petroleum Coke**

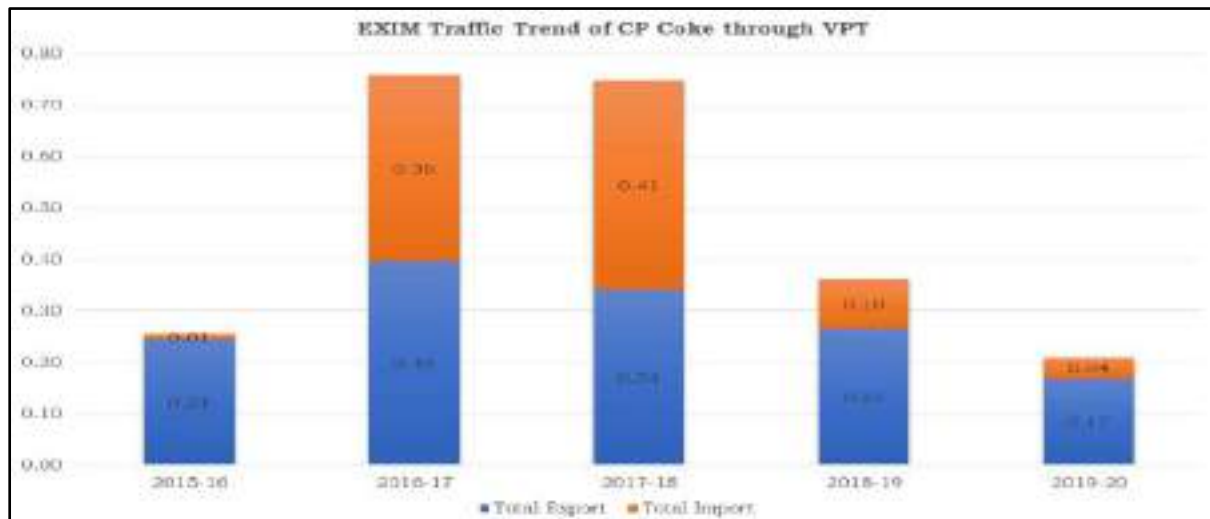
### **4.6.8.1 Introduction**

Calcined petroleum coke (CP Coke) is a critical ingredient in the production of aluminium. It is created by placing high quality raw "green" petroleum coke into rotary kilns, where it is heated to temperatures between 1200 to 1350 °C (2192 to 2460 °F). The high temperatures remove excess moisture, extract all remaining hydrocarbons and modify the crystalline structure of the coke, resulting in a denser more electrically conductive product. In a matter of hours, calcined petroleum coke is cooled from 1350 °C to less than 200 °C, when it can be safely handled and transported to storage silos or placed directly into shipping containers, trucks, railcars, barges or vessels.

Calcined petroleum coke has a sponge-like structure which plays an important role in the making of anodes. The pores allow binding material to penetrate through the coke particles and form a solid carbon block, through which aluminium smelters conduct electricity into their smelting pots. Over time, the anodes are consumed, roughly at the rate of 40 tons of calcined petroleum coke for each 100 tons of aluminium produced.

### **4.6.8.2 Calcinated Petroleum Coke - Traffic Characteristics at VPA**

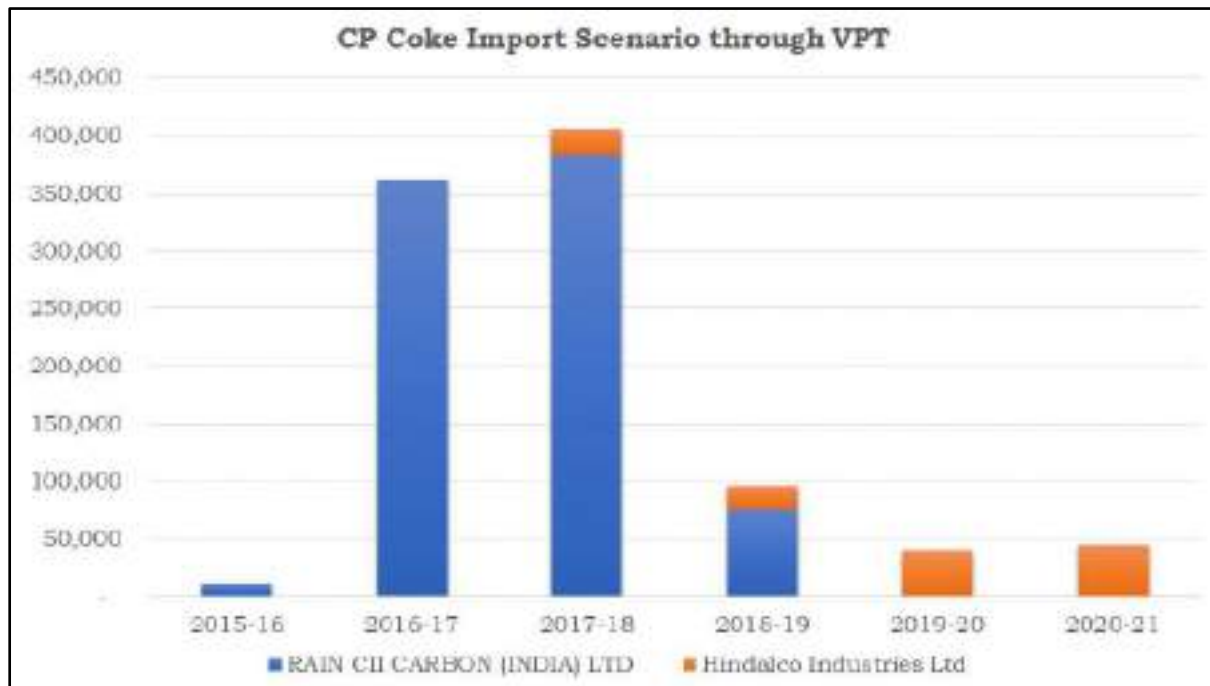
C.P. Coke is handled both as an export and import cargo through dry bulk conventional way. The EXIM traffic trend for CP Coke through VPA is presented in **Figure 4-53** below.



**Figure 4-53 : EXIM Traffic Trend of CP Coke through VPA**

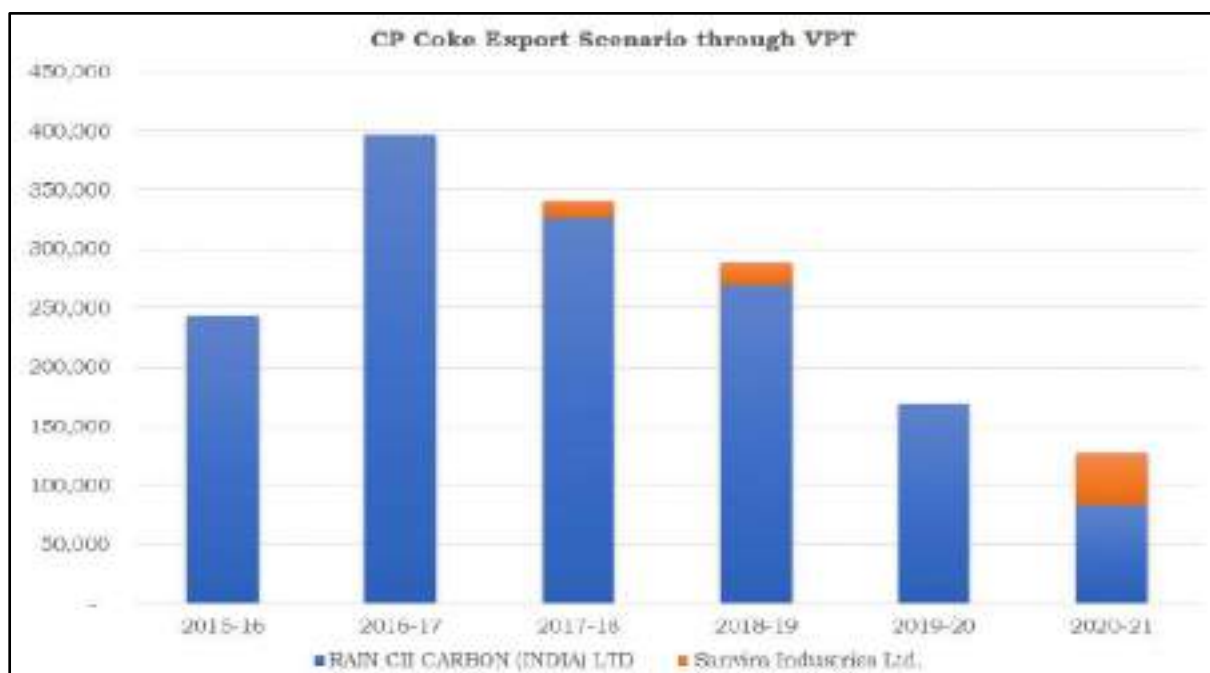
It is observed based on figure above that there is a substantial variation in CP coke import through VPA; while exports are comparatively consistent enough.

Based on the assessment of imports through VPA, it is observed that Rain CII Carbon Ltd. which was among the major importer of the CP Coke have over the time became the exporter further to merging with Rain Calcining Industries. Further, Hindalco is importing CP Coke for their aluminium smelter operations for Utkal Refinery. Based on the existing policy, aluminium smelters are allowed to import up to 0.5MTPA of CP Coke for their consumption and currently, Hindalco is importing around 7.5% of their consumption demand through VPA. The historic CP coke import scenario for VPA is illustrated in **Figure 4-54** below. However, based on the stakeholder discussion the policy would be amended soon which would favour the traffic potential for VPA.



**Figure 4-54 : CP Coke Import Scenario through VPA**

Further, Rain CIII Carbon Ltd. (also known as Rain Calcining Industries Ltd.) and Sanvira Industries Ltd. are exporter of CP Coke through VPA. The industries have 1 million tonne and 0.3 million tonne production capacity respectively. Currently, these industries are exporting to the tune of around 15% of the total production capacity in the hinterland region.

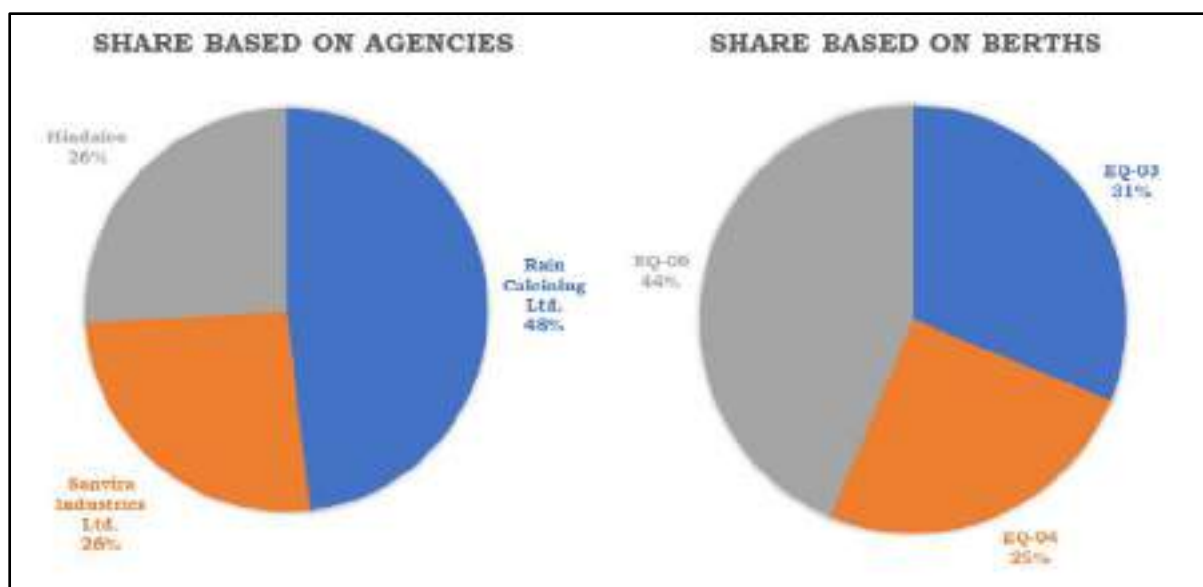






**Figure 4-55 : CP Coke Export Scenario through VPA**

Hindalco is importing CP Coke while others are exporting CP coke through VPA. The share of cargo handled by various agencies is presented in **Figure 4-56** below. Further, EQ-06 is responsible for major share of cargo being handled through VPA.



**Figure 4-56 : Share of CP Coke Handled by Various Agencies as well as Berths**

#### 4.6.8.3 CP Coke - Forecast Considerations

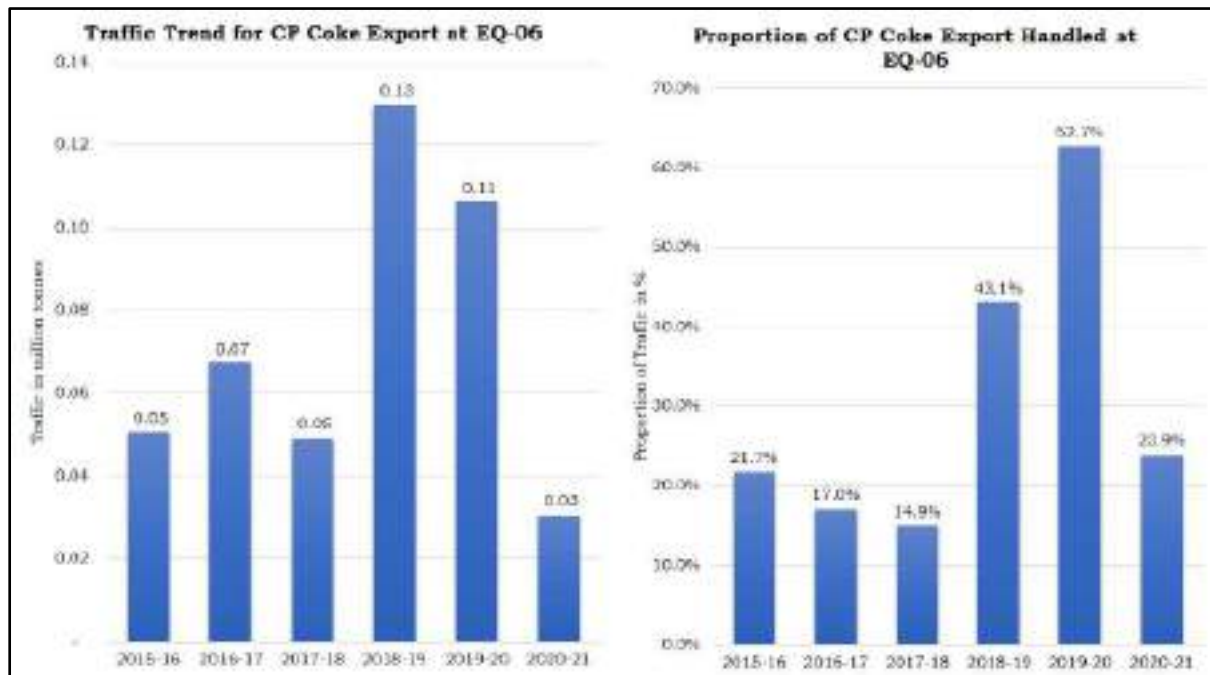
The Consultant carried out the stakeholder assessment for understanding the potential for CP coke from VPA as well as berth EQ-06 along with any operational constraints if any. Based on this, the future traffic potential for C P Coke through VPA is as presented in the **Table 4-19** below.

**Table 4-19 : Traffic Potential for C. P. Coke Exim cargo through VPA**

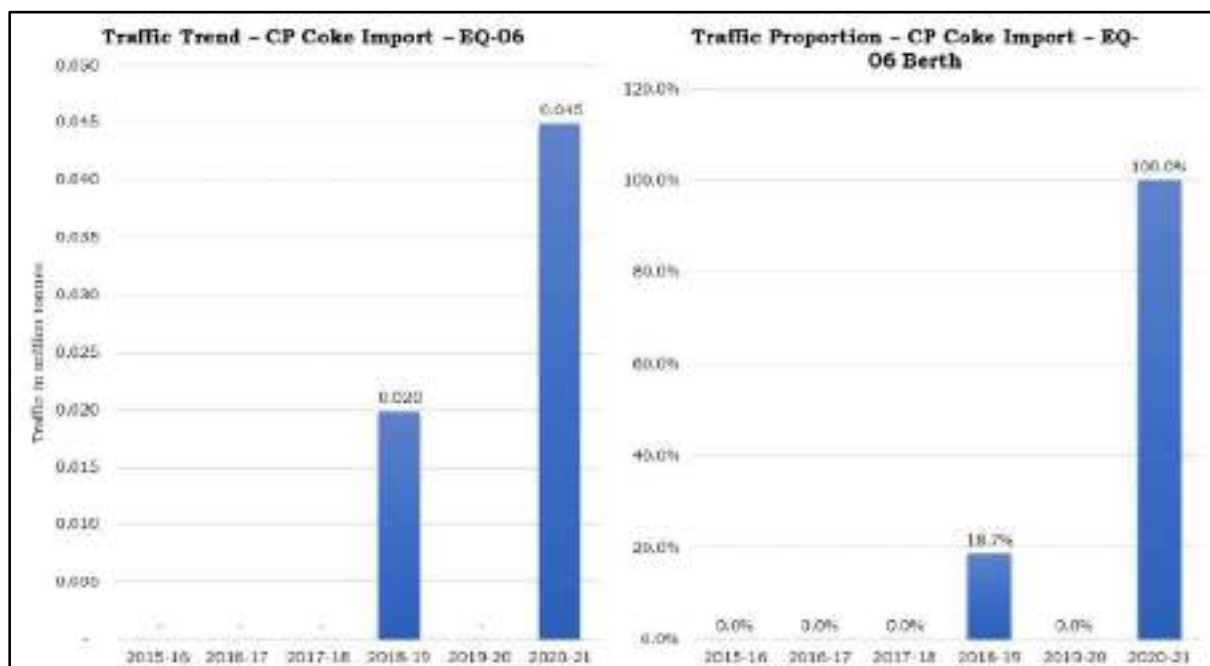
Operation Type	Short Term	Long Term	Remark
Export	0.2 MTPA	0.6 MTPA	Based on the discussion with Rain Calcining and Orissa Stevedores Ltd. the export potential is worked out.
Import	0.7 MTPA	1.2 MTPA	

Berth EQ-06 handled around 24% of the CP Coke export while complete CP Coke import in year 2020-21 as presented in the **Figure 4-57** and **Figure 4-58** below.





**Figure 4-57 : Traffic Trend in Quantum and Proportion for CP Coke Export at Berth EQ-06**



**Figure 4-58 : Traffic Trend in Quantum and Proportion for CP Coke Import at Berth EQ-06**

Further, based on the discussion with various stakeholders, it was understood that CP Coke handling is very sensitive as cargo gets severely affected by contamination



of any kind impacting monetarily to the end user. Hence, the cargo is preferred to be handle through the berth which is currently handling clean cargoes. In addition to this, based on the discussion with the Client, berth EQ-07 is as well supposed to handle CP coke along with berth WQ-06. However, considering the cargo mix for berth WQ-06, Consultant feels that it may not be viable to handle CP Coke at berth WQ-06.

Hence during the distribution of the cargo, Consultant have taken into consideration the impact of cargo at berth EQ-07, for arriving at the net potential for berth EQ-06.

Based on the assumptions towards growth potential and proportion of traffic through berth EQ-06, the traffic demand forecast summary is as presented in **Table 4-20** below.

**Table 4-20 : CP Coke- Traffic Forecast Summary for VPA and Berth EQ-06**

Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Import Potential</b>								
<b>Base Scenario</b>	0.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2
<b>Export Potential</b>								
<b>Base Scenario</b>	0.20	0.60	0.60	0.60	0.60	0.60	0.60	0.60
<b>Traffic Forecast for CP Coke through Berth EQ-06 (in million tonnes)</b>								
<b>Import Potential</b>								
<b>Base Scenario</b>	0.045	0.120	0.120	0.120	0.120	0.120	0.120	0.120
<b>Export Potential</b>								
<b>Base Scenario</b>	0.03	0.15	0.15	0.15	0.15	0.15	0.15	0.15

#### 4.6.9 Stone Aggregate

##### 4.6.9.1 Introduction

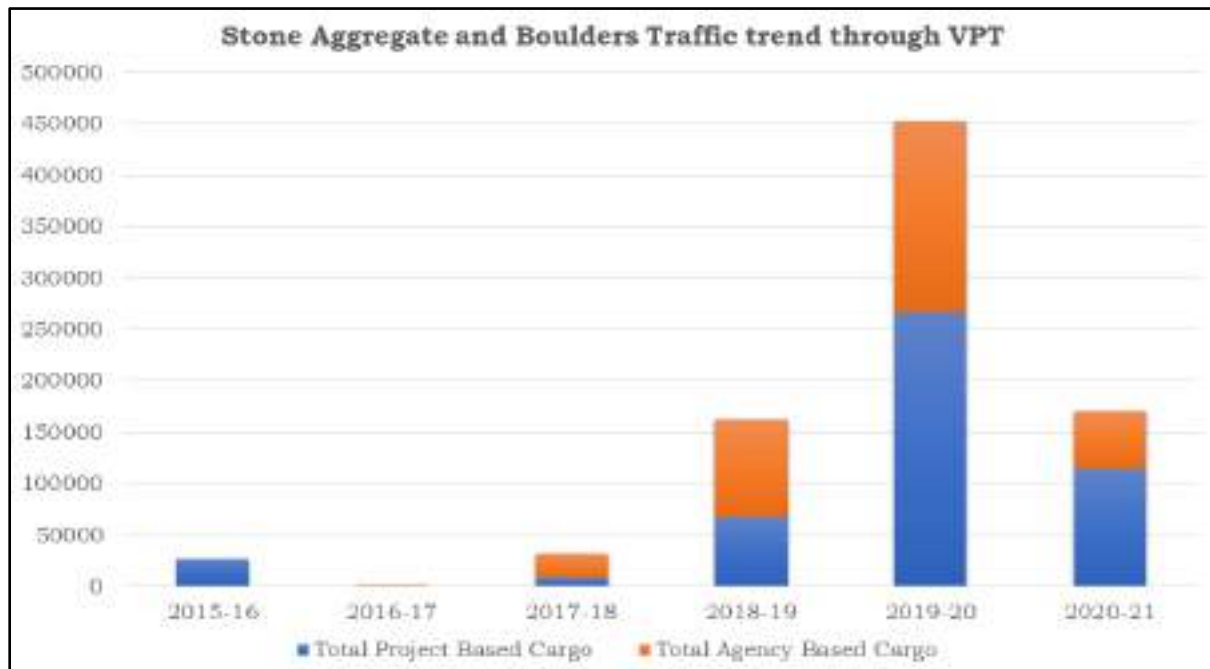
Stone aggregate is one of the important inputs to the construction industry and demand is originated based on the project specific requirement and logistics assessment.

##### 4.6.9.2 Stone Aggregate - Traffic Characteristics at VPA

VPA handled around 0.17 million tonnes of Stone aggregate through VPA in Yr 2020-21 of which 67% of the traffic was due to various ongoing project related demands

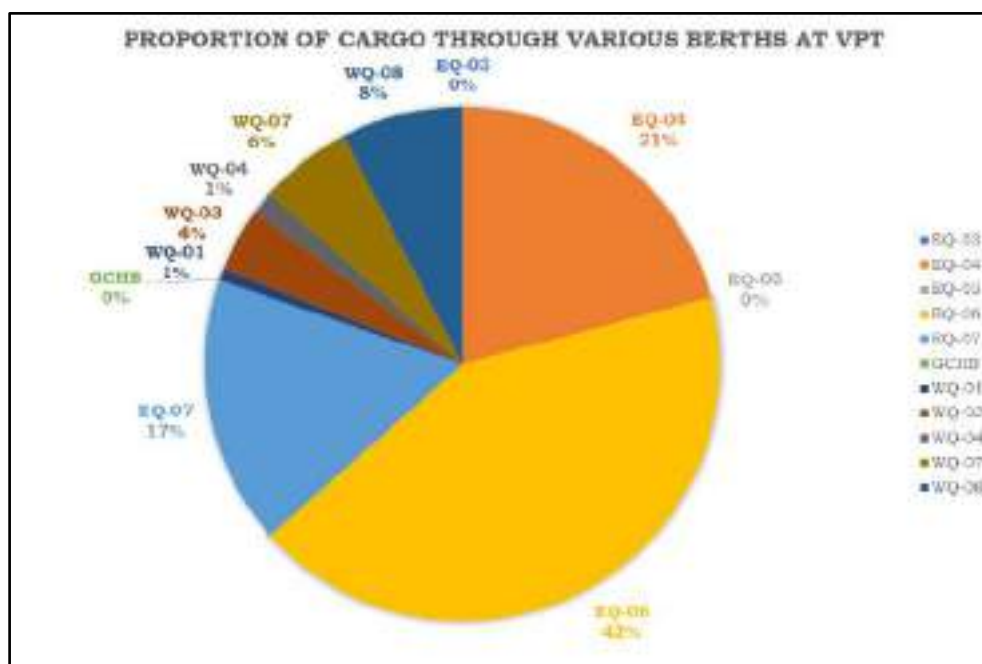


whereas 33% of the traffic was handled by various exporting agencies. The **Figure 4-59** below provides the summary of the traffic handled through VPA based on the exporting entity.



**Figure 4-59 : Traffic Trend for Stone Aggregate through VPA**

Berth EQ-06 handled around 42% of the total cargo throughput through VPA. The proportion of cargo through VPA is presented in **Figure 4-60** below.





**Figure 4-60 : Berth wise Cargo Distribution through VPA**

#### 4.6.9.3 Stone Aggregate - Forecast Considerations

Taking into consideration past trend and considering push towards various large scale infrastructure projects in India as well as in Bangladesh which is one of the major importing countries for stone aggregate, the growth potential for stone aggregate export is as presented in the **Table 4-21** below.

**Table 4-21 : Growth Forecast Assumptions for Stone Aggregate**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 to Yr 2031	4.62%	Link for Long term GDP growth prospects for Bangladesh: <a href="https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html">https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html</a>
	Yr 2032 to Yr 2052	3.00%	Conservative growth rate.

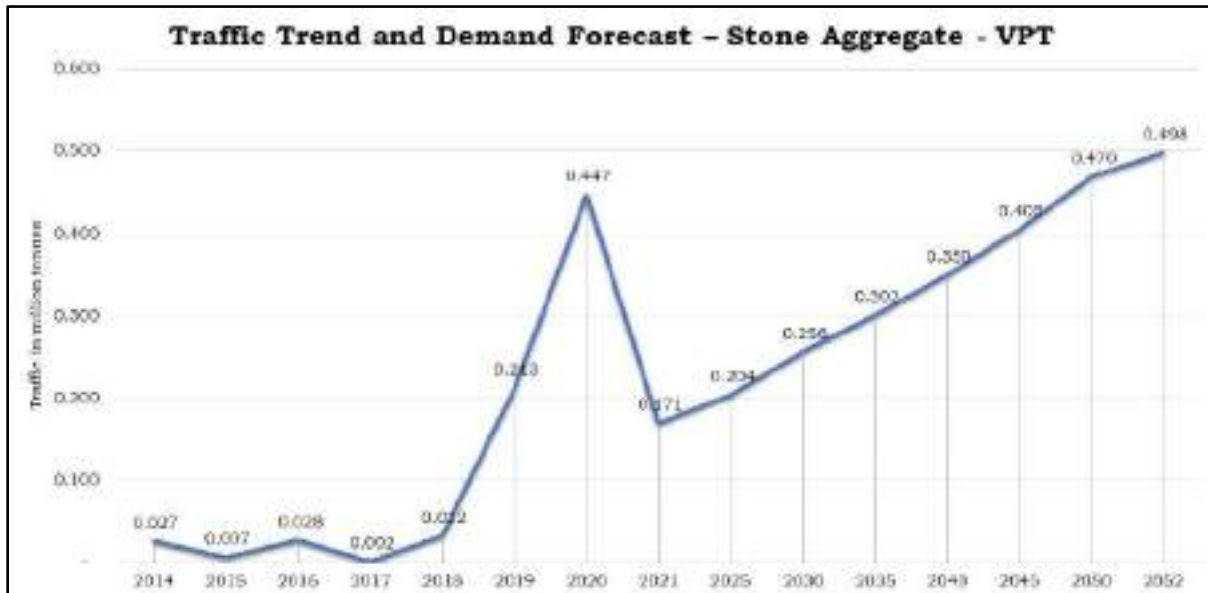
In order to arrive at the potential traffic which can be handled through berth EQ-06 it is assumed that, traffic through berth EQ-06 will remain at 40% of the total throughput at VPA.

Based on the assumptions towards growth potential and proportion of traffic through berth EQ-06, the traffic demand forecast summary is as presented in **Table 4-22** below.

**Table 4-22 : Stone Aggregate - Traffic Forecast Summary for VPA and Berth EQ-06**

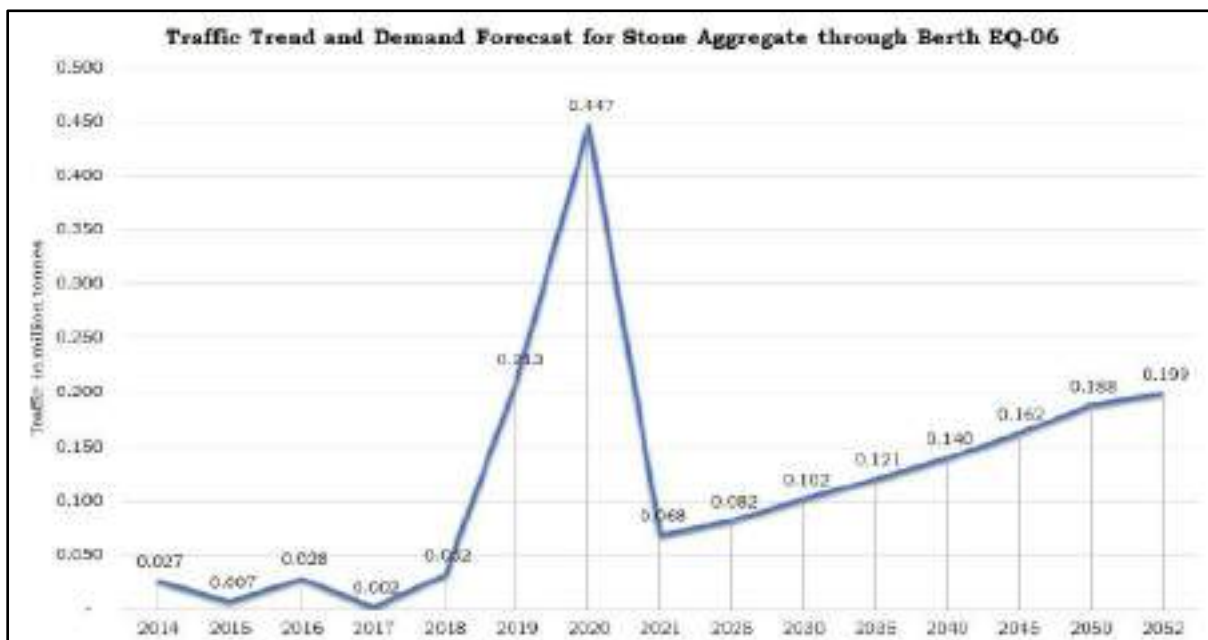
Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2051
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	0.171	0.204	0.256	0.302	0.350	0.405	0.470	0.498
<b>Traffic Forecast through Berth EQ-06 (in million tonnes)</b>								
<b>Base Scenario</b>	0.068	0.082	0.102	0.121	0.140	0.162	0.188	0.199

The **Figure 4-61** below provides the info-graphic representation of traffic demand forecast for stone aggregate through VPA.



**Figure 4-61 : Traffic Trend and Demand Forecast for Stone Aggregate through VPA**

Further the traffic trend and demand forecast potential for stone aggregate traffic through berth EQ-06 is as presented in the **Figure 4-62** below.



**Figure 4-62 : Traffic Trend and Demand Forecast for Stone Aggregate through Berth EQ-06**



#### **4.6.10 Iron and Steel Cargo**

##### **4.6.10.1 Introduction**

As of June 2021, India was the world's second-largest producer of crude steel. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

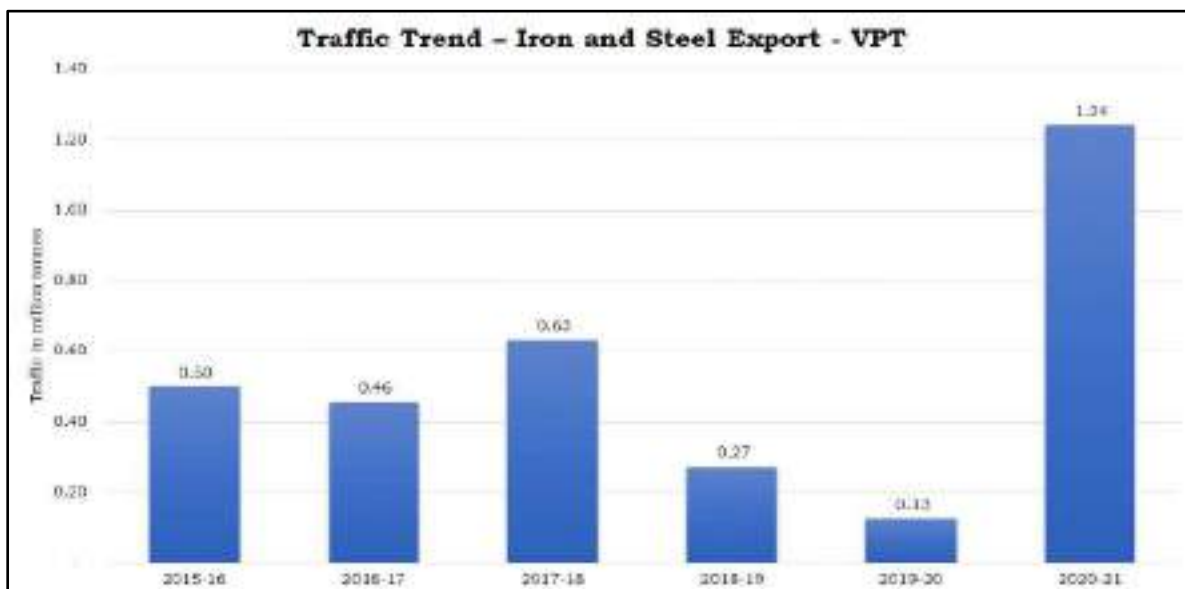
The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity and around 110 million tonnes exports by 2030-31. As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

##### **4.6.10.2 Iron and Steel - Traffic Characteristics at VPA**

VPA exported around 1.24 MTPA of the iron and steel cargo in year 2020-21 which is almost 10 times the traffic handled in year 2019-20. The traffic trend for iron and steel export through VPA is as shown in **Figure 4-63** below.



**Figure 4-63 : Traffic Trend for Iron and Steel Export at VPA**



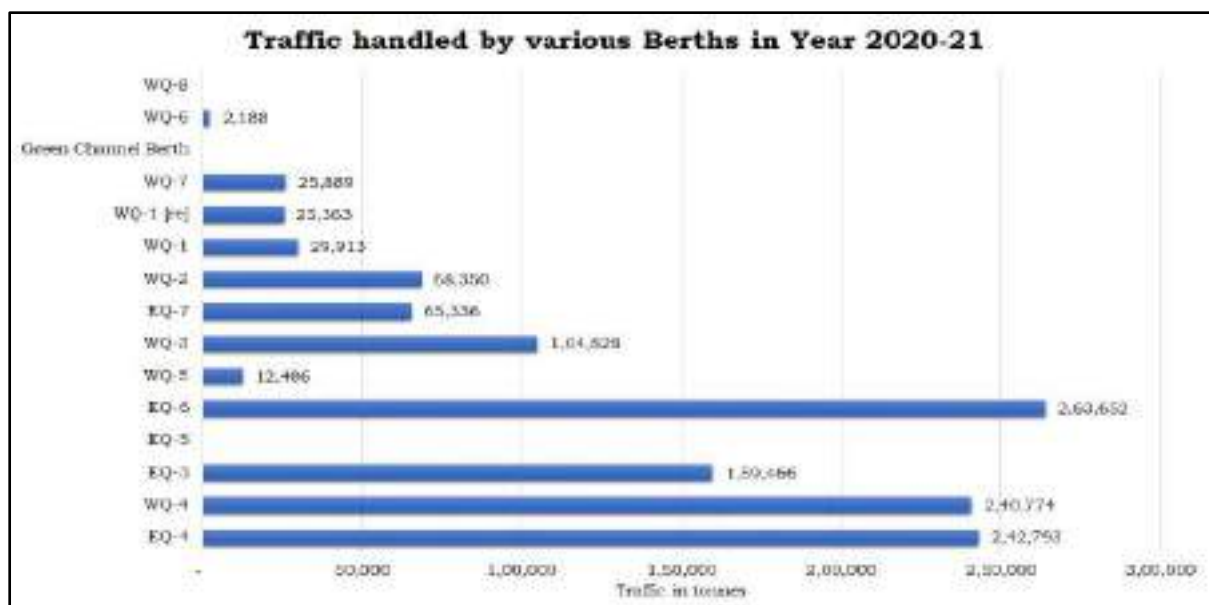


Jindal Power and Steel Ltd. is the largest exporting industry through VPA accounting for the 63% of the total iron and steel export through VPA. The quantum of the cargo carried by various industries as per traffic in Yr 2020-21 is presented in the **Figure 4-64** below.



**Figure 4-64 : Traffic by Various Industries at VPA**

Based on the traffic trend for industries, it is observed that RINL has gradually stopped exporting through VPA whereas in the recent past, Jindal Power and Steel has started exporting through VPA becoming largest exporter at VPA currently.



**Figure 4-65 : Steel and Iron Traffic Handled by Various berths in Year 2020-21**



EQ-04, EQ-06 and WQ-04 are among the major iron and steel cargo handling berth at VPA based on the **Figure 4-65** above.

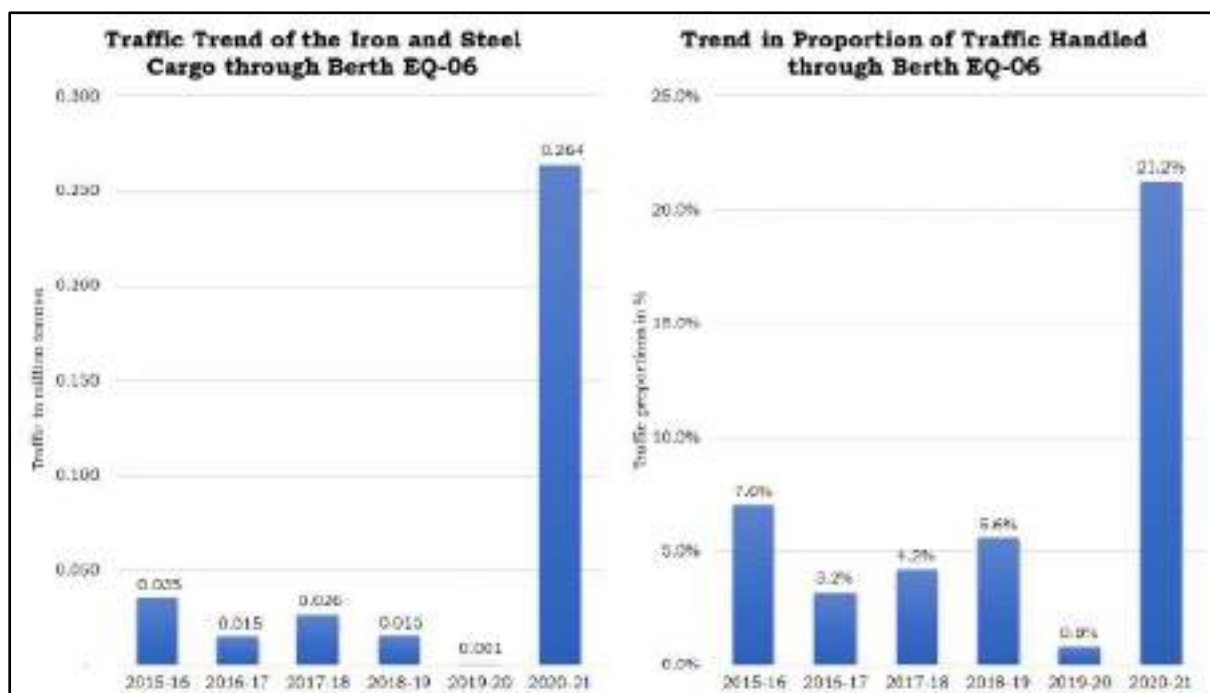
#### 4.6.10.3 Iron and Steel - Forecast Consideration

Taking into consideration the past traffic trend, market assessment as well as study of the major industries associated, the growth potential for iron and steel export for VPA is as presented in the **Table 4-23** below.

**Table 4-23 : Growth Forecast Assumptions for Iron and Steel Cargo**

Scenario	Duration	Growth	Considerations
<b>Base Case Scenario</b>	Yr 2021 To Yr 2030	5.80%	Stabilised growth rate based on Care Rating Report. [Link: <a href="https://www.careratings.com/uploads/newsfiles/06072021124028_Steel_Industry_-_Credit_Impact.pdf">https://www.careratings.com/uploads/newsfiles/06072021124028_Steel_Industry_-_Credit_Impact.pdf</a> ]
	Yr 2031 to Yr 2052	2.70%	

Berth EQ-06 handled around 21.4% of the total cargo throughput of iron and steel in year 2020-21. The traffic trend and proportion of cargo handled by berth EQ-06 is as presented in the **Figure 4-66** below.



**Figure 4-66 : Traffic Trend for Iron and Steel in Qutum and Proportions for Berth EQ-06**





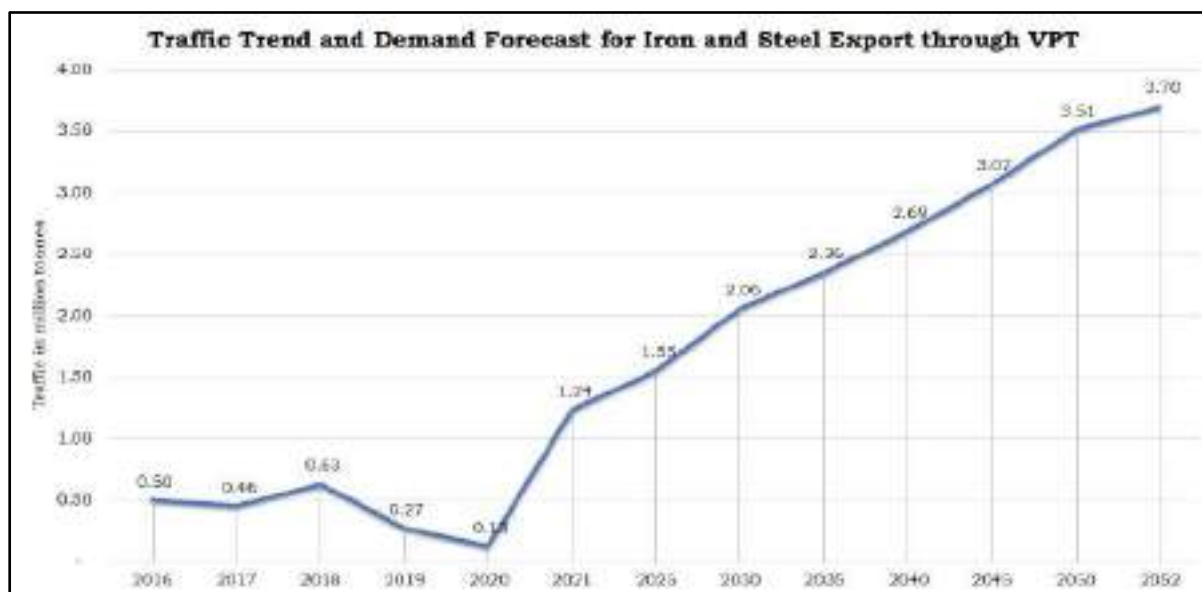
Based on the stakeholder interaction it was understood that during the export of iron and steel cargo the 280m quay length of EQ-06 is very handy for temporary storage of cargo prior to loading in the vessel. Taking above aspects into consideration, it is assumed that around 25% of iron and steel cargo will be transported from EQ-06 in the future.

Based on the assumptions towards growth potential and proportion of traffic through EQ-06, the traffic demand forecast summary is as presented in **Table 4-24** below.

**Table 4-24 : Iron and Steel- Traffic Forecast Summary for VPA and Berth EQ-06**

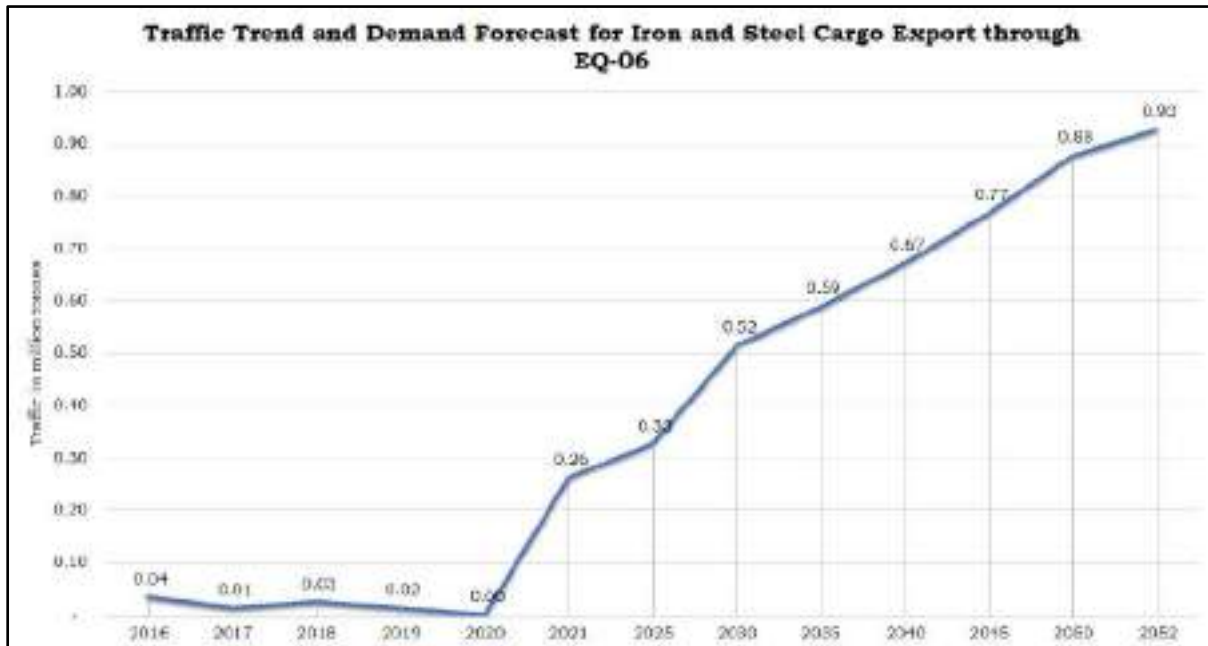
Cargo Particulars	2021	2025	2030	2035	2040	2045	2050	2052
<b>Traffic Forecast through VPA (in million tonnes)</b>								
<b>Base Scenario</b>	1.24	1.55	2.06	2.36	2.69	3.07	3.51	3.70
<b>Traffic Forecast through Berth EQ-06 (in million tonnes)</b>								
		21%	25%	25%	25%	25%	25%	25%
<b>Base Scenario</b>	0.26	0.33	0.52	0.59	0.67	0.77	0.88	0.93

The figure below provides the info-graphic representation of traffic demand forecast for iron and steel cargo export through VPA is presented **Figure 4-67** in below.



**Figure 4-67 : Traffic Trend and Demand Forecast for Iron and Steel Export through VPA**

Further, the traffic trend and demand forecast for iron and steel export through berth EQ-06 is as presented in the **Figure 4-68** below.



**Figure 4-68 : Traffic Trend and Demand Forecast for Iron and Steel Cargo Export through EQ-06**

#### 4.6.11 Other Cargos

Other cargos accounted for around 15 to 20% of the total cargo throughput through berth EQ-06. In addition to this, the traffic for various cargoes under other cargo category were found to be inconsistent in nature.

Hence, based on the proportions as observed based on past trend, following assumptions have been made to arrive at other cargoes under respective product category and based on nature of cargo.

a. For Import Oriented Cargo

- The other cargo in the form of Bulk import which currently accounts for 20% of the total bulk import cargo, will gradually increase to around 30% of the total bulk import cargo
- Other Breakbulk import cargo currently accounts for 7% of the total import, however, considering past trend the same would grow to around 20% of the total breakbulk import over the time.

b. For Export Oriented Cargo

- Other bulk export cargo accounts for 15% of the total bulk export through berth EQ-06 which taking into consideration past trend will gradually grow to around 35% of the total bulk export through EQ-06.



- Whereas, other breakbulk export cargo which is currently around 7% of the total export through EQ-06 and will remain the same in future as well.

#### **4.6.12 Traffic Forecast Summary**

The summary of the traffic forecast through Berth EQ-06 under three operational scenario is presented in **Table 4-25** below.



**Table 4-25 : Traffic Forecast Summary for Berth EQ-06**

Sr. No.	Cargo Particulars	2025	2030	2035	2040	2045	2050	2055
<b>A</b>	<b>Import Cargo</b>							
<b>I</b>	Bulk Cargo - Import	0.33	0.41	0.43	0.44	0.46	0.47	0.49
<b>1</b>	Anthracite Coal	0.012	0.02	0.02	0.02	0.02	0.02	0.02
<b>2</b>	Rock Phosphate	0.03	0.04	0.04	0.04	0.05	0.05	0.06
<b>3</b>	Sulphur	0.052	0.06	0.06	0.07	0.07	0.08	0.09
<b>4</b>	Limestone	0.02	0.06	0.06	0.06	0.06	0.06	0.06
<b>5</b>	CP Coke (Import)	0.12	0.12	0.12	0.12	0.12	0.12	0.12
<b>6</b>	Other Bulk Cargo	0.1	0.12	0.13	0.13	0.14	0.14	0.15
<b>II</b>	Breakbulk Cargo	0.09	0.15	0.18	0.23	0.28	0.33	0.39
<b>1</b>	Ammonium Nitrate	0.08	0.12	0.14	0.18	0.22	0.26	0.31
<b>2</b>	Other Breakbulk Cargo	0.01	0.03	0.04	0.05	0.06	0.07	0.08
	<b>Total Import Cargo</b>	<b>0.42</b>	<b>0.56</b>	<b>0.61</b>	<b>0.67</b>	<b>0.74</b>	<b>0.8</b>	<b>0.88</b>
<b>B</b>	<b>Export Cargo</b>							
<b>I</b>	Bulk Cargo - Conventional	0.3	0.39	0.42	0.45	0.48	0.52	0.57
<b>1</b>	CP Coke (Export)	0.15	0.15	0.15	0.15	0.15	0.15	0.15
<b>2</b>	Stone Aggregate	0.08	0.1	0.12	0.14	0.16	0.19	0.22
<b>3</b>	Other Bulk Cargo	0.07	0.14	0.15	0.16	0.17	0.18	0.2
<b>II</b>	Breakbulk Cargo	0.43	0.64	0.71	0.8	0.91	1.03	1.17
<b>1</b>	Cement	0.05	0.05	0.05	0.05	0.05	0.05	0.05
<b>2</b>	Iron and Steel	0.33	0.52	0.59	0.67	0.77	0.88	1
<b>3</b>	Other Breakbulk Cargo	0.05	0.07	0.07	0.08	0.09	0.1	0.12
	<b>Total Export Cargo</b>	<b>0.73</b>	<b>1.03</b>	<b>1.13</b>	<b>1.25</b>	<b>1.39</b>	<b>1.55</b>	<b>1.74</b>
	<b>Total EXIM Cargo*</b>	<b>1.15</b>	<b>1.59</b>	<b>1.74</b>	<b>1.92</b>	<b>2.13</b>	<b>2.35</b>	<b>2.62</b>

\* The liquid cargo detailed out in Section 4.6.5 and 4.6.6 is proposed to be handled at other berths at VPA and hence not included in the traffic for berth EQ-06.



## 4.7 VESSEL SIZE ANALYSIS

### 4.7.1 Introduction

The inner harbour of VPA will be able to handle PANAMAX vessels of draft up to 14.50m. The outer harbour will be able to handle capsized vessels of draft up to 18.10m. During the year 2019-20 around 2,165 ships entered the port and 2,163 ships sailed from the port.

Following are the details pertaining to total number of ships operated at Port for Year 2019-20 is presented in **Table 4-26** below.

**Table 4-26 : Vessel Traffic through VPA**

Year	Ships	DWT	GRT	NRT
Values in million tonnes				
2019-20	2,163	109.50	68.26	36.55
2018-19	2,054	99.07	61.24	32.89
2017-18	2,015	99.27	60.98	32.92

The specifications of the highest DWT vessel which was served through inner harbour of the VPA is presented in **Table 4-27** below.

**Table 4-27 : Largest vessels handled in inner Harbour**

Vessel / Berth	DWT	LoA (m)	Beam (m)	Draft (m)
Inner Harbour MV CSK Longvety	89,516	224.98	32.24	14.42

### 4.7.2 Vessel Size Assessment for Berth EQ-06

Berth EQ-06 currently has draft restriction of about 11m owing to reduced dredged depth of 12.1mCD compared to other berths in inner harbour. Berth EQ-06 caters to dry bulk, breakbulk and liquid cargo vessels.

**Table 4-28** below highlights the trend of average vessel size pertaining to dry bulk, break bulk and liquid cargo vessels at VPA.



**Table 4-28 : Average DWT Trend in the VPA**

Sr. No.	Cargo	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Dry Bulk Conventional	48,579	46,382	49,583	50,604	52,276	51,868	51,334	48,240
2	Break Bulk	15,026	17,571	17,469	21,766	23,603	24,684	20,287	20,036
3	Liquid Bulk	49,262	48,609	43,888	47,306	47,263	45,564	42,349	49,710

The Consultant carried out analysis of existing cargo fleet and a trend assessment for the vessel sizes towards three categories of cargoes in order to arrive at design Vessel.

Since EQ-06 is a brownfield facility, there are limitations to the size of the ship it can service. The berth length of 255m can cater to ships with LOA of 205m safely.

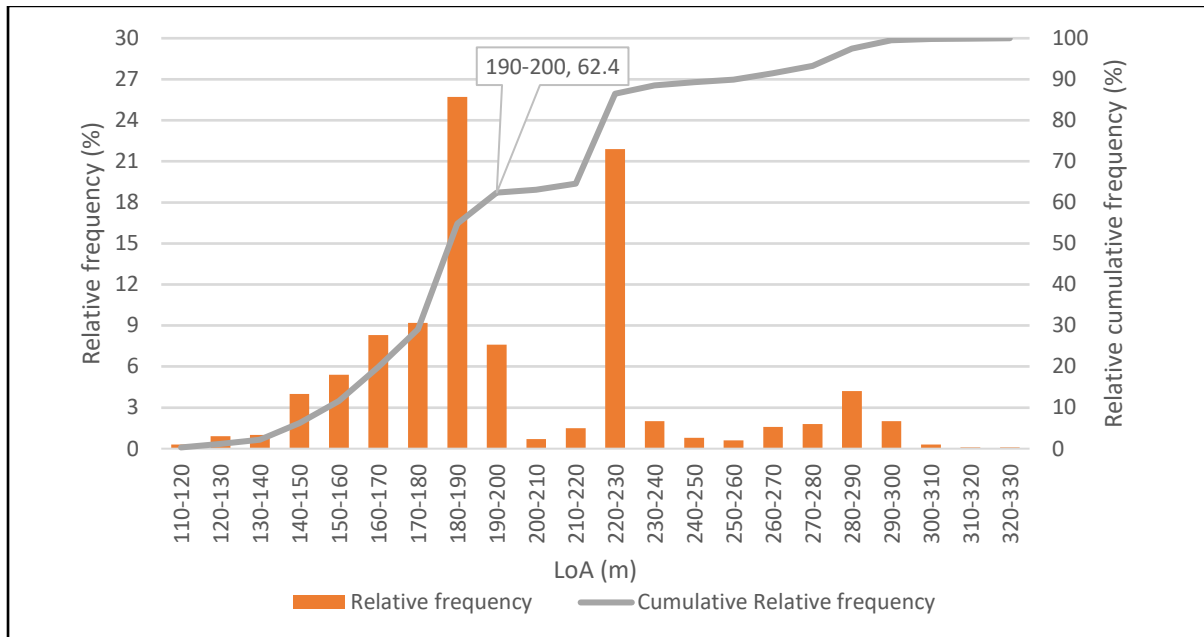
#### 4.7.2.1 Bulk Cargo Vessels

A preliminary forecasting of the vessel size was carried out on the basis of the past data and it was observed that the average DWT for dry bulk cargo vessels handled through conventional means would be around 62,000 DWT by year 2051. The forecast is presented in **Figure 4-69** below.



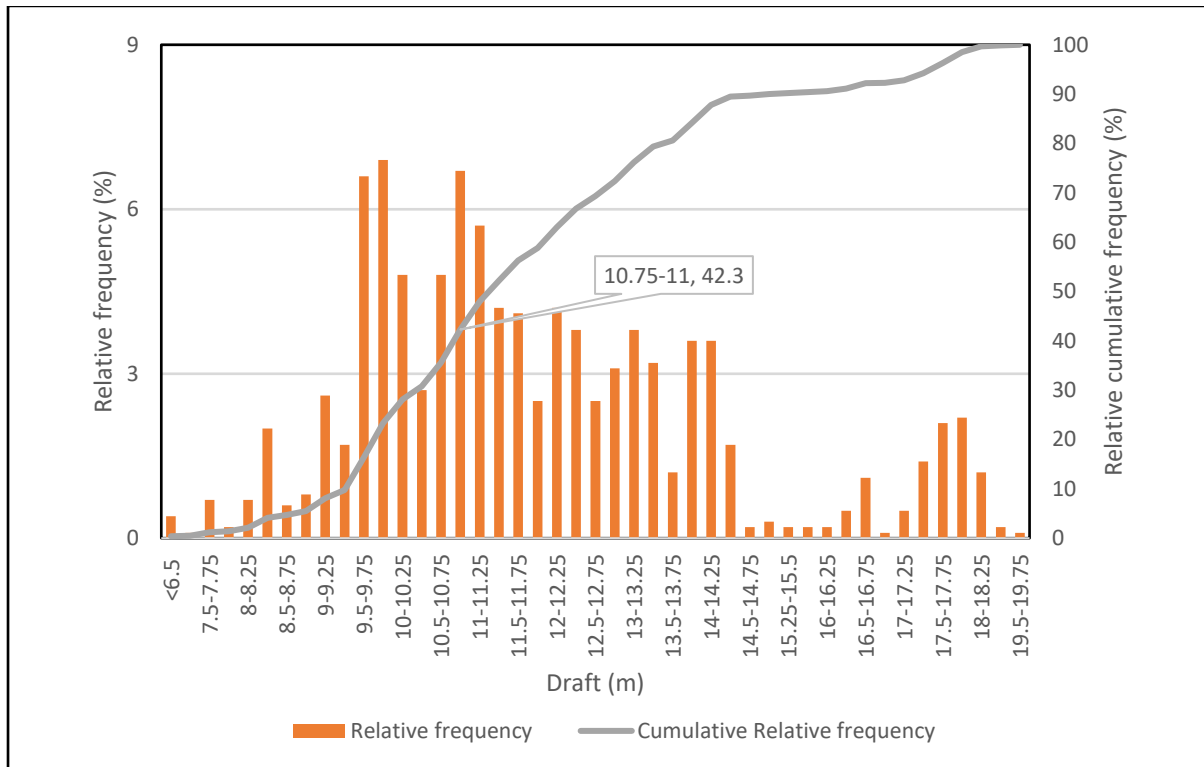
**Figure 4-69 : Vessel Dwt forecast for Bulk Cargo Vessels**

Further, the analysis of the existing vessels serving in world ports was carried out and presented in **Figure 4-70** below. It is found that 62.4% of the bulk carriers are below 200m LOA can be serviced at EQ-06.



**Figure 4-70 : Frequency distribution of existing bulk cargo fleet LoA (m)**

Similar analysis of the vessel drafts was carried out to understand the effect of the draft limitations on the vessels which can call the berth and present in **Figure 4-71** below. It was observed that only 42.3% of the ships require draft of 11m or below. With the above two restrictions of 205m LoA and draft of 11.00m are found to be best suited for EQ-06. The average beam of the vessels with these parameters turns out to be 32.29m belonging to Panamax category. Corresponding DWT of the vessels is 80,000 tonnes. This is well above the forecasted DWT of 62,000 Tonnes. The **Table 4-29** below provides the summary of the design vessel for the bulk cargo.



**Figure 4-71 : Frequency distribution of existing bulk cargo fleet draft (m)**

**Table 4-29 : Summary of Design vessel for Bulk cargo**

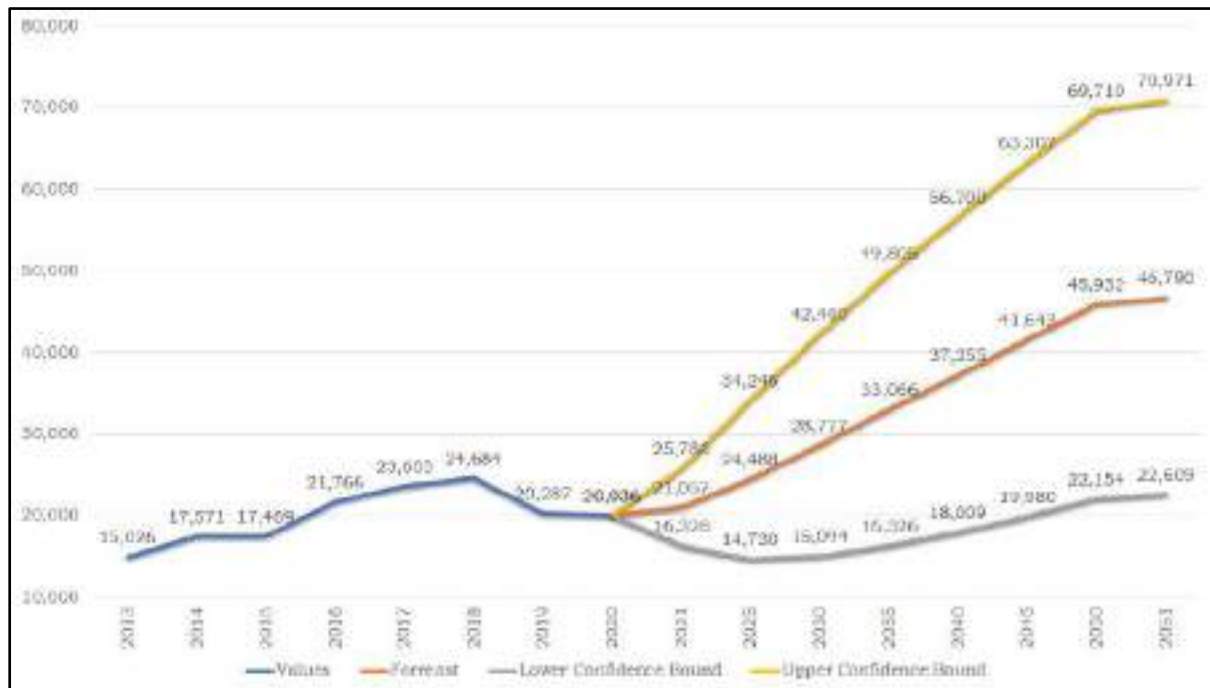
Dry Bulk Cargo	DWT (Tonnes)	LoA (m)	Beam (m)	Draft (m)
Design Vessel	50,000	205	32.26	11.00

#### 4.7.2.2 Breakbulk cargo Vessels

It was observed that the average vessel size for break-bulk cargo vessels handled at VPA would be around 46,000 DWT by year 2051 based on the assessment of past trend. The forecast is presented in **Figure 4-72** below.

With advent of specialised terminals and cargo vessels, there hasn't been much development in General cargo vessels. It was reported in Review of Maritime transport 2020 that the average age of general cargo vessel was 19.46 years, 10 years more than any other category. By vessel types, share of general cargo ship has reduced to just 4% in 2020. **Table 4-30** below illustrated the age wise distribution of general cargo vessels.





**Figure 4-72 : Vessel Size Forecast for Break bulk Cargo Vessels**

**Table 4-30 : Age Distribution and average vessel size of general cargo vessels**

Age of vessel	Percentage of total ships	Average vessel Size (DWT)
<b>0-4 years</b>	4.64	7933
<b>5-9 years</b>	12.34	8029
<b>10-14 years</b>	15.67	5455
<b>14-19 years</b>	7.99	5902
<b>More than 20 years</b>	59.36	2772

However, taking into consideration the nature of the cargo and existing general cargo vessel statistics, it is expected that the average vessel size in future will not exceed beyond 25,000 DWT.

The dimensions of similar capacity general cargo vessels are presented in **Table 4-31** below.

**Table 4-31 : Summary of Expected general cargo vessel**

Dry Bulk Cargo	DWT (Tonnes)	LoA (m)	Beam (m)	Draft (m)
<b>Design Vessel</b>	25,000	192	25.00	10.70



#### 4.7.2.3 Vessel Size Summary

Taking into consideration the vessel trend for dry bulk, break bulk and liquid cargo vessels, the vessels sizes presented in **Table 4-32** below are envisaged.

**Table 4-32 : Largest vessels envisaged as per cargo types**

Cargo	Size (DWT)	LOA (m)	Beam (m)	Draft(m)
<b>Bulk Cargo</b>	50,000	200	32.28	11.00
<b>Break bulk Cargo</b>	25,000	192	25.00	10.70

**CHAPTER 5**

**FACILITY REQUIREMENT AND  
MECHANISATION SCHEMES**



## CHAPTER 5

# FACILITY REQUIREMENTS AND MECHANISATION SCHEMES

### 5.1 INTRODUCTION

This chapter of the report will deal with the various facilities and cargo handling equipment required to cater the cargo traffic and corresponding design vessel size derived in Chapter 4.

The following engineering aspects will be covered in this chapter:

- Design Basis
- Water Side Facilities
- Landside facilities
- Cargo handling equipment
- Utilities
- Facility planning
- Mechanization schemes (Cargo handling)
- Selection of optimal mechanization scheme

### 5.2 DESIGN BASIS

The main governing criteria for design of the port facilities are the design Vessel size(s) and cargo volumes.

#### 5.2.1 Cargo Projections and Design Traffic

The traffic demand assessment and forecast were presented exhaustively in Chapter 4 and the summary of the study is presented in



**Table 5-1** below.

**Table 5-1 : Forecasted cargo traffic at berth EQ-06 for year 2052**

Sr. No.	Cargo Particulars	2025	2030	2035	2040	2045	2050	2055
<b>A</b>	<b>Import Cargo</b>							
<b>I</b>	<b>Bulk Cargo - Import</b>	0.33	0.41	0.43	0.44	0.46	0.47	0.49
<b>1</b>	Anthracite Coal	0.012	0.02	0.02	0.02	0.02	0.02	0.02
<b>2</b>	Rock Phosphate	0.03	0.04	0.04	0.04	0.05	0.05	0.06
<b>3</b>	Sulphur	0.052	0.06	0.06	0.07	0.07	0.08	0.09
<b>4</b>	Limestone	0.02	0.06	0.06	0.06	0.06	0.06	0.06
<b>5</b>	CP Coke (Import)	0.12	0.12	0.12	0.12	0.12	0.12	0.12
<b>6</b>	Other Bulk Cargo	0.1	0.12	0.13	0.13	0.14	0.14	0.15
<b>II</b>	<b>Breakbulk Cargo</b>	0.09	0.15	0.18	0.23	0.28	0.33	0.39
<b>1</b>	Ammonium Nitrate	0.08	0.12	0.14	0.18	0.22	0.26	0.31
<b>2</b>	Other Breakbulk Cargo	0.01	0.03	0.04	0.05	0.06	0.07	0.08
	<b>Total Import Cargo</b>	<b>0.42</b>	<b>0.56</b>	<b>0.61</b>	<b>0.67</b>	<b>0.74</b>	<b>0.8</b>	<b>0.88</b>
<b>B</b>	<b>Export Cargo</b>							
<b>I</b>	<b>Bulk Cargo - Conventional</b>	0.3	0.39	0.42	0.45	0.48	0.52	0.57
<b>1</b>	CP Coke (Export)	0.15	0.15	0.15	0.15	0.15	0.15	0.15
<b>2</b>	Stone Aggregate	0.08	0.1	0.12	0.14	0.16	0.19	0.22
<b>3</b>	Other Bulk Cargo	0.07	0.14	0.15	0.16	0.17	0.18	0.2



Sr. No.	Cargo Particulars	2025	2030	2035	2040	2045	2050	2055
<b>II</b>	Breakbulk Cargo	0.43	0.64	0.71	0.8	0.91	1.03	1.17
<b>1</b>	Cement	0.05	0.05	0.05	0.05	0.05	0.05	0.05
<b>2</b>	Iron and Steel	0.33	0.52	0.59	0.67	0.77	0.88	1
<b>3</b>	Other Breakbulk Cargo	0.05	0.07	0.07	0.08	0.09	0.1	0.12
	Total Export Cargo	0.73	1.03	1.13	1.25	1.39	1.55	1.74
	Total EXIM Cargo	1.15	1.59	1.74	1.92	2.13	2.35	2.62

### 5.2.2 Design Vessel Size

Design vessel will determine the dimensions of the water side facilities and requirements of cargo handling equipment. Based on the vessel size analysis presented in chapter 4, commodity-wise largest vessels expected to arrive at berth are listed in the **Table 5-2** below.

**Table 5-2 : Commodity-wise largest vessel size**

Cargo	Size (DWT)	LOA (m)	Beam (m)	Draft(m)
<b>Bulk Cargo</b>	50,000	200	32.26	11.00
<b>Break bulk Cargo</b>	25,000	192	25.00	10.70

Based on the information in the above table, the facility will be planned such that it can cater to the largest vessel to be handled at the berth. The details pertaining to design vessel is presented in **Table 5-3** below.

**Table 5-3 : Design vessel dimensions**

	Size (DWT)	LOA(m)	Beam (m)	Draft (m)
<b>Design Vessel</b>	50,000	200	32.28	11.00

## 5.3 WATERSIDE FACILITIES

The waterside facilities considered in this section comprises of;

- Approach channel,
- Turning Circle,
- Tugs and watercrafts,



- Aids to Navigation (AToN) and
- Berthing structure.

The adequacy of the above existing water side facilities to cater for the design vessel envisaged at berth EQ-06 is assessed and presented in the following sections.

### 5.3.1 Approach Channel and Turning Circle

Based on conceptual design using PIANC (Report No. 121- Harbor approach channel design guide), the channel depth required for design vessel of EQ-06 is assessed and presented in **Table 5-4** below;

**Table 5-4 : Required and existing dimensions of waterside facilities**

Sl. No	Description	Required	Existing
	<b>Approach Channel</b>		
<b>1</b>	Depth: <ul style="list-style-type: none"><li>• Inner channel</li><li>• Outer channel</li></ul>	(-) 12.10 m C.D (-) 13.20 m C.D	(-) 16.10 m C.D (-) 22.00 m C.D
<b>2</b>	Channel width <ul style="list-style-type: none"><li>• Inner channel</li><li>• Outer channel</li></ul>	104.0m 161.4m	111.0 to 116.0 m 200.0m
	<b>Inner turning circle</b>		
<b>1</b>	Diameter	400m	460m
<b>2</b>	Depth	(-) 12.10 m C.D	(-) 14.5 m C.D

From the above table it can be concluded that no additional developments for the existing approach channel and turning circle is required for waterside facilities with respect to the navigation of the design vessels expected at the berth EQ-06.

### 5.3.2 Tugs and water craft

At VPA, pilotage is compulsory for all vessels over 100 T which are entering, leaving or shifting berth. Along with pilotage services, port also provides tugs and other water craft required for safe navigation, berthing and mooring of vessels.



As mentioned in Chapter 2, the port has sufficient number of Pilot launches and tug boats for efficiently handling the design vessel proposed for EQ-06.

### 5.3.3 Berth Pocket

The bathymetry adjacent to berth reveals that the current depth available is approximately (-)12.1CD only. This depth can effectively accommodate design vessels with draft requirement up to 11m only.

Hence a berth pocket in front of the berth is proposed to be maintained at 12.1m. The suggested dimensions of the berth pocket are 255m length and 40m in width. It is assumed that only single vessel will be berthed at a time and there will be no double banking of vessels.

Based on these requirements and existing bathymetry, no capital dredging is expected at the berth pocket.

The berth pocket layout for EQ-06 berth is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-05.**

### 5.3.4 Berthing Structure

#### 5.3.4.1 Berth length

The berth length available for EQ-06 is 255m. This includes the 142.6m of EQ6 berth and 112.4m of remaining part of EQ-5 berth. The berth length is sufficient for a design vessel with length of 200m with 25 m of safety margin space on either end.

#### 5.3.4.2 Apron

The apron width was increased from initial width of 9.144m provided using monolith structure to 16.4m with help of RCC deck structure for movement of 100T Mobile harbour crane. Existing apron width (16.m) will be sufficient to accommodate and manoeuvring of cargo handling machinery proposed in later parts of the chapter.

The plan, cross section and structural details of Berth EQ-06 are presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-06** and **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-07.**

#### 5.3.4.3 Berth Furniture

The general berth furniture required are: Bollards and Fenders.

The cast iron bollards present at the berth are having a capacity of 100 Tons.





As per IS 4651part 3, for the design vessel mentioned in the previous section, the required bollard pull is 100T.

Since the existing bollard capacity is same as required, bollard capacity is adequate for mooring of the vessels expected to berth at EQ-06.

The fenders observed at EQ-06 are M-type 800H marine fenders. These fenders are in good condition with sufficient capacity to cater up to 50,000T DWT vessel. **Figure 5-1** showcases site visit photos of the fenders and bollards present at the berth.



**Figure 5-1 : Fenders and Bollards at EQ-06**

## **5.4 LANDSIDE FACILITIES**

### **5.4.1 Storage area**

Storage is an important interface between the receipt and dispatch of cargo for the efficient operation of a port. It plays a vital role for the following reasons:

- Loading and unloading of the cargo vessels without interruption
- For seamless transfer of cargo
- To meet the seasonal accelerated arrivals from hinterland or to cater to the increased throughput in a shorter span of time.



At present, there is no dedicated storage area earmarked for berth EQ-06. However, as a part of envisaged development of mechanisation of berth EQ-06, VPA has identified a dedicated stacking yard/open storage area.

The earmarked dedicated open storage area at the backup area for EQ-06 is about 270m from the berth. The storage areas are well connected to the Berth EQ-06 by means paved roads. The backup area has two storage plots designated for Dry bulk and Break bulk.

Along with above mentioned storage area, there is immediate backup area of 255m length and 48m width along the length of the berth for intermittent cargo storage and immediate evacuation.

The layout storage area is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-08** and **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-09**. Details regarding the same are discussed in Chapter 6.

#### **5.4.2 Evacuation plans**

Cargo evacuations from Vishakhapatnam Port takes place using both means, roads and railways. Since the parcel sizes of commodities are small, and further discussion with VPA officials, Road ways mode of transport is considered for cargo evacuation from storage area to hinterland and vice versa.

### **5.5 UTILITIES**

#### **5.5.1 Power**

Power will be required for various operations like cargo handling (MHCs and Hoppers), dust suppression systems, firefighting, area illumination, road illumination and general administration. The details of the power requirement are discussed in chapter 6

#### **5.5.2 Water**

Fresh water supply services are provided by private operators through water barges and road tankers. For these services, port has licensed 3 operators to operate water barges, whereas 4 nos. operators are licensed to operate water tankers.

As for freshwater, there are no provisions at berth and stockyard areas.



Also, it is mandatory at Vishakhapatnam port to use STP treated water for dust suppression and sprinkling purposes. VPA has cast iron pipeline network for distribution of STP water. This water is provided by VPA at the rate of Rs. 60/Kl.

It will be lessees' responsibility to construct the sump and pump house for achieving required storage and pressure of water.

### **5.5.3 Firefighting**

The firefighting system shall be provided at berths as well as storage areas and designed for controlling and extinguishing fires. The firefighting system for berths and terminal area will be of freshwater system. Fire hydrant System shall be designed to give adequate fire protection for the facility based on following Indian Standards:

- IS 13039 (1991): External hydrant systems - provision and maintenance - Code of practice
- IS 9668 (1990, Reaffirmed 2010): Provision and Maintenance of Water Supplies for Fire Fighting
- IS 12469 (1988): Specification for Pumps for Fire Fighting System

The fire hydrant system shall be designed to ensure that adequate quantity of water is available at all times, at all areas of the facility where a potential fire hazard exists.

## **5.6 MECHANICAL EQUIPMENTS**

### **5.6.1 BERTH EQUIPMENT**

#### **5.6.1.1 Mobile harbour cranes**

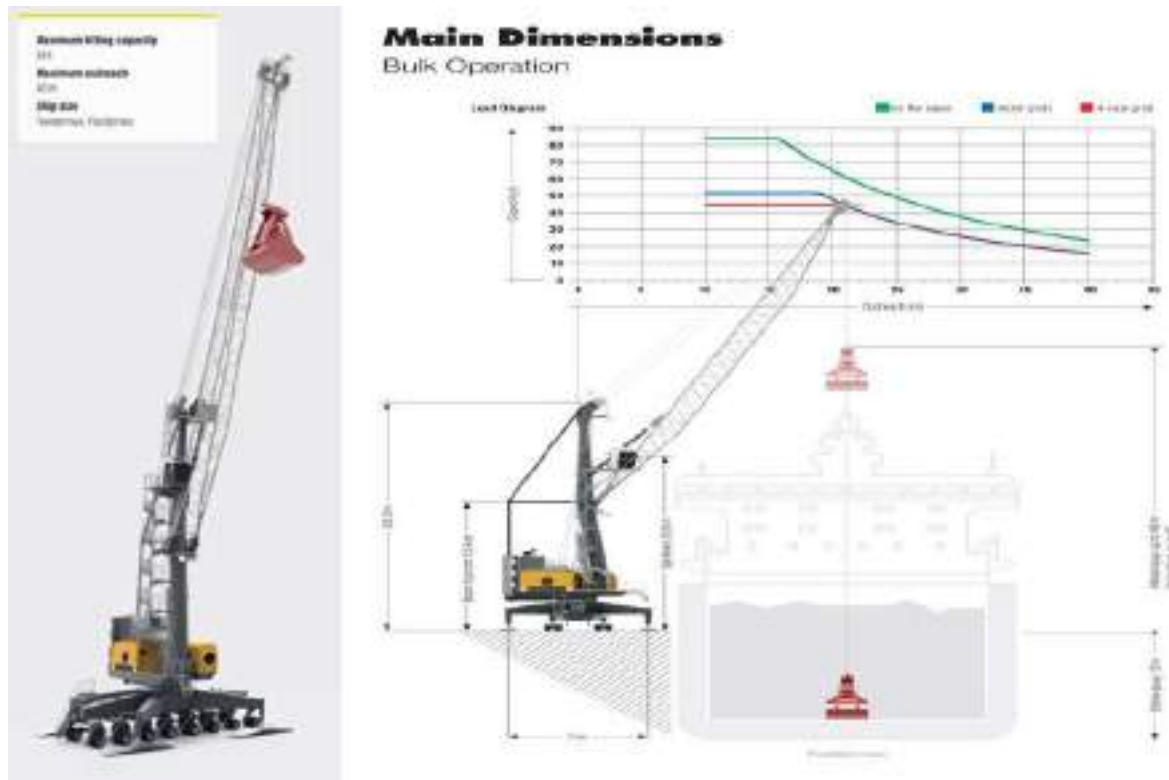
Mobile Harbour Crane (MHC) is one of the most versatile equipment to be used at ports. The crane can be fixed with various attachments like grabs, hooks, container spreaders etc.

The mobile harbour cranes can be fixed or moveable as required. These cranes are available with both rubber tyres and rail mounted. The rubber tyred mobile harbour cranes provide flexibility of its use as they can be moved to different berths whenever the need exist at other berths.

These cranes are available in wide variety of sizes with lifting capacity ranging from 42 T to as high as 300 T. the cranes are available with diesel as well as electric drives for operations.



A typical MHC for loading / unloading envelope is presented in **Figure 5-2** below.



**Figure 5-2 : Specifications and Infographic for LHM-550**

Source: Liebherr LHM-550 Product Brochure

The broad specification of Mobile Harbour Crane LHM-550 is provided in **Table 5-5** below.

**Table 5-5 : Specifications of Mobile Harbour Crane LHM-550**

Sr. No.	Particulars	Specifications
1	Lifting Capacity	124 t (Hook) 90 t (Grab)
2	Minimum Outreach	10 m
3	Maximum Outreach	48 m
4	Rated handling rate	1500 TPH

#### 5.6.1.2 Mobile hoppers

Mobile hoppers are best used when the bulk cargo is transported from berth to storage area with help of Tipper trucks. This equipment helps to eliminate the double handling operation needed on berths during ship unloading operations. Mobile



hoppers facilitate easy cargo transfer from crane grabs to Tipper trucks. The Hoppers with chutes move along the berth with Unloading cranes. They have sufficient under clearance for the trucks to pass. The discharge from the hopper is so adjusted that there are no instances of truck overloading and material spilling on the berths. The advance hoppers come with dust collection systems reducing the air pollution during the cargo handling operations. The typical image of hopper is presented in **Figure 5-3** below



**Figure 5-3 : Image of typical Hopper**

### **5.6.2 STACKYARD EQUIPMENT**

The stackyard equipment consists of stacker and reclaimers, wheel loaders, tipper trucks, conveyors etc. This equipment helps in transporting the cargo to and from berths and stacking in the stackyard area.

#### **5.6.2.1 Tippers Trucks**

These are tyred vehicles which are used to carrying bulk cargo transfer within as well as outside port boundaries. The carriages of the trucks are fitted with hydraulic systems for easy tipping of the bulk material. The tipper trucks are available with body volumes of 10cum up to 40cum. Though the conveyors are more efficient, tippers have advantages in terms of flexibility to handle various cargo types and destinations. The **Figure 5-4** below represents a typical tipper truck.



**Figure 5-4 : Image of typical Tipper Trucks**

#### **5.6.2.2 Wheel Loaders**

Wheel loader, commonly known as payloader, is required at the stockyard for loading of bulk materials on to the Trucks, which further moves the export cargo to the berth for the loading operation. Wheel loaders can be attached with variety of bucket sizes. Currently wheel loaders with clear dumping heights ranging from 3m to 7m are available in market.

The typical payloader / wheel loader during loading operation at the stockyard is presented in **Figure 5-5**.





**Figure 5-5 : Typical wheel loader at the stockyard**

#### **5.6.2.3 Fork Lifts**

Forklifts are used for the movement of the break bulk cargo between the transit shed/warehouses/open storage. Forklifts are used to stack or transport cargo over as short distance in a warehouse. An important aspect of forklift operation is that they have rear-wheel steering which increases manoeuvrability in tight cornering situations. The forklift is available with either diesel, LPG or electric power drives. Below **Figure 5-6** illustrates a typical forklift used for break bulk cargo.



**Figure 5-6 : Image of typical forklift**

#### **5.6.2.4 Dust Suppression System**

Handling large quantities of bulk materials suspends lots of minute particles in air. In order to prevent air quality deteriorating and controlling the air pollution, dust suppression systems are used. Fog type Dust suppression system uses high pressure water fogging which creates ultra- fine fog consisting of very fine water droplets (less than 10-micron size). These tiny water droplets absorb even the smallest dust particles in the air, yet fall to the ground without wetness.

Dry fog dust suppression systems are provided at transfer towers. System consists of air-water mixture through localized flow activation unit to nozzles located at different locations.

Air and water pipe line shall follow the conveyor routing and shall be laid inside the conveyor gallery where ever applicable. All other pipe work including various types of valves, nozzles, strainers, electrical & instrumentation controls are provided. For automatic operation of the system speed-cum-load monitor switch, limit switch and other accessories will be provided.

Plain water dust suppression system is provided for dry bulk stockpile to suppress the generated dust due to wind blowing. Sprinkler post approximately 2mts height is installed on the spray header on both sides of stockpile.

The plain water sprinkler type dust separation system is shown in **Figure 5-7**.





**Figure 5-7 : Sprinkler type Dust Suppression System**

## **5.7 MECHANISATION SCHEMES**

### **5.7.1 General**

The berth EQ-06 is envisaged to handle multiple cargoes belonging to dry bulk and break bulk. Taking into consideration estimated traffic throughput as presented in Chapter 4 of the report, three alternative mechanisation schemes have been evaluated.

Following **Table 5-6** is the summary towards equipment required for the proposed alternative mechanization schemes.



**Table 5-6 : Summary of Alternatives for Mechanisation of EQ-06**

Alternatives	Import	Export
<b>Alternative -1</b> Deployment of One MHC	<ul style="list-style-type: none"> <li>• One MHC</li> <li>• Mobile hopper</li> <li>• Trucks</li> <li>• Wheel loader/ Fork Lifts</li> </ul>	<ul style="list-style-type: none"> <li>• One MHC</li> <li>• Trucks</li> <li>• Wheel loaders / Fork Lifts</li> </ul>
<b>Alternative – 2</b> Deployment of Two MHC	<ul style="list-style-type: none"> <li>• Two MHC</li> <li>• Mobile hopper</li> <li>• Trucks</li> <li>• Wheel loader/ Fork Lifts</li> </ul>	<ul style="list-style-type: none"> <li>• Two MHC</li> <li>• Trucks</li> <li>• Wheel loader/ Fork Lifts</li> </ul>
<b>Alternative – 3</b> Fully Mechanised System	<ul style="list-style-type: none"> <li>• MHC</li> <li>• Mobile hopper</li> <li>• Conveyor</li> <li>• Stacker cum Reclaimer</li> <li>• Trucks</li> <li>• Fork lifts</li> <li>• Truck loading station</li> </ul>	<ul style="list-style-type: none"> <li>• Ship loader</li> <li>• MHC</li> <li>• Conveyor</li> <li>• Stacker cum Reclaimer</li> <li>• Trucks</li> <li>• Fork lifts</li> </ul>

The detailed description of each of the alternatives are presented in Section 5.7.2 to 5.7.5.

The description and background on specifications towards equipment are explained below. Further, the flowchart along with description of operational philosophy pertaining to four proposed approaches has been presented in the following.



### **5.7.2 Alternative1 – One (1 no.) MHC with Hopper, Trucks and Wheel loaders**

#### **a) Import cargo**

The berth shall be installed with One Nos. MHC and cargo transfer from ship will be carried out using MHC and transferred to the trucks with help of mobile hoppers for dry bulk cargo. The immediate storage area will be used for break bulk cargo unloaded which help of MHC and subsequently loaded onto trucks for transport.

From the berth/immediate back up area imported material will be transported via trucks (each of 20 cu m capacity) to the backup area. Trucks will dump the material in the appropriate stacks. Material thus unloaded will be organized with the help of wheel loaders.

#### **b) Export cargo**

For export material, Cargo will initially stack at the back up area in appropriate stacks. Once ship arrive at the berth, cargo will be loaded on to the trucks using wheel loaders/ Fork lifts and trucks will move from backup area to berth. Trucks will unload cargo near the berth. material thus unloaded will be loaded on to the vessel with the help of Mobile harbour crane (MHC).

The cargo flow diagram proposed for the transfer of cargo is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-10**

### **5.7.3 Alternative-2 – Two (2 nos.) MHC with Hopper and Trucks**

The major difference between Alternative 1 and 2 is the number and size of the MHC and hopper. In this alternative, two nos. smaller capacity MHCs will be adopted for ship to shore transfer of cargo and vice versa.

#### **a) Import cargo**

The berth will be installed with MHC and a travelling hopper. Cargo from the ships will be unloaded with MHC to movable hopper. Trucks can come directly under the hopper and material will be discharged into the trucks.

Further material will be transported via trucks (each of 20 cu m capacity) to the backup area. Trucks will unload the material at the appropriate stack yard. Material thus unloaded, and manual pile will be organized with the help of wheel loaders.

#### **b) Export cargo**



Export cargo will initially stack at the appropriate stack yard using wheel loaders. On arrival of the ship, cargo will be loaded on to the trucks using wheel loaders and truck will move this material near the berth. Material thus unloaded will be loaded onto vessel with the help of Mobile harbour crane. (MHC).

Utility facilities like dust suppression is provided to control the dust at stockpile.

The cargo flow diagram proposed for the transfer of cargo is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-11**

#### **5.7.4 Alternative-3 Full mechanised Conveyor System with Ship loader and MHC**

In this alternative completely mechanised cargo handling for both import and export cargo.

##### **a) Import cargo: -**

The berth will be installed with MHC and Ship loader (SL) and the import cargo will be unloaded by MHC and will be discharged into belt conveyors with help of Hoppers. Conveyor transfer tower for discharging at back up area

Further conveyor will discharge cargo via transfer tower to stacker conveyor. This conveyor will be provided with slewing stacker with tripper. Material received to stacker conveyor will transfer into stacker boom conveyor via travelling tripper to form a stockpile. Stockpile can be formed on both sides through slewing arrangement of stacker.

Stacker cum reclaimer will be mounted on rails and will have a bogie with wheels for movement. Drive arrangement of stacker conveyor will be provided in drive house DH.

##### **b) Export cargo**

For export material stockpiling at back up area, Material will be collected into conveyor via stacker cum reclaimer and transferred to berth where ship loader will be deployed for loading the cargo onto vessel.

Utility facilities like dust suppression is provided to control the dust at stockpile and at belt conveyor transfer points.



The cargo flow diagram proposed for the transfer of cargo is presented in **Drawing No.VPA-EQ06/PMS/2122-008/TEFR/DWG-12**

Based on the above description, the total cost of the Project for three alternatives were estimated and presented in the **Table 5-7** below.

**Table 5-7 Summary of Total cost for alternatives**

Alternatives	Total Cost
<b>Alternative -1</b>	INR 69.69 Crore
<b>Alternative - 2</b>	INR 88.85 Crore
<b>Alternative – 3</b>	INR 220.64 Crore

#### **5.7.5 Selection of Most Optimal Mechanisation Scheme**

The selection of the most optimal mechanisation has been carried out based on the following Criteria:

- **Mechanization / Automation**

Mechanisation or automation plays a vital role in the development of berths for the transfer of EXIM Cargo. It improves the transfer rate and continuous flow of cargo. The higher the mechanization, the speed of the cargo flow will increase. The alternative which is having high mechanization shall be rated higher.

- **Control & Monitoring**

The controlling and monitoring of the Mechanization scheme is required to understand the exact situation of the cargo transfer rate, quantity imported and exported. The scheme which can be controlled and monitored in an accurate manner shall be rated higher.

- **Environmental Impact**

Environmental pollution caused by handling of dry bulk cargo is depends on the mode of handling. High environmental pollution is responsible for many health issues for the people working in the port and also to the environment near to the port. The alternative which is having lower impact on the environment shall be rated higher.



- **Capital Investment**

The Capital investment is the most critical aspect for the development of any project. The major factor influencing the mechanization cost refers to the type of automation and cost of various equipment. Thus, alternatives providing optimal automation shall be rated higher compared to others.

- **Operation and Maintenance**

Operation & Maintenance (O&M) cost refers to the cost induced for the maintenance and repairs of various equipment such as Conveyor System, Mobile Harbour Cranes, Wheel loader, etc. The mechanization scheme which is having higher operation and maintenance cost towards handling of the project shall be rated lower, and vice-versa.

- **Logistics**

Logistics is considered to be planning of the transfer of cargo beforehand the arrival of the ships, which increases the efficiency of the Port or berth i.e. higher quantum of cargo can be handled at the berth, which increases the revenue of the port and the berth.

- **Ease of Operations**

Operations at the berth and at the stockyard shall be efficient to handle the cargo in an optimum manner. Operations are more effective when the berths are mechanized with ship loader/unloader with conveyor belts and stacker cum reclaimer at the stockyard, to have continuous flow of cargo. The alternative which is having the best operations efficiency shall be rated higher.

- **Multiple Cargo Handling**

The projected cargo traffic presented in the Chapter 4 shows that multiple bulk and break-bulk cargo are being planned to be handled at EQ-06 berth. The mechanisation scheme which can handle multiple cargo efficiently shall be rated higher.



## 5.8 CONCLUSIONS

Based on the above-described selection criteria, following conclusions have been drawn:

- Since the berth will be catering to multiple cargos in small volumes, fully mechanised handling systems like conveyors and ship un/loaders are not economically viable. Hence, alternative 3 is not recommended for berth EQ-06.
- Between Alternative 1 and 2, Alternative 1 ie, One MHC with hopper and Truck system is recommended as it provides the flexibility to increase the berth capacity by adding another MHC in future. Also, the alternative has lower capital cost requirement and better efficiency compared to two cranes system.
- Additionally, alternative 1 has been selected after detailed discussion with VPA officials.

Accordingly, facility development plan and layout including back up area has been prepared for Alternative 1 and presented in Chapter 6 of the report.

# **CHAPTER 6**

## **DEVELOPMENT PLAN**





## CHAPTER 6

### DEVELOPMENT PLAN

#### 6.1 INTRODUCTION

This chapter presents various developments proposed as part of the projects with description of each project components.

Based on the facility identification and selected most optimal mechanisation scheme Alternative 1: One (1) MHC + Hopper + trucking for import and export cargo, presented in Chapter 5, the following requirements have been finalised to be implemented as a part of material handling/mechanization system.

A detailed layout of the same is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-08** and the cargo flow plan for mechanisation is presented in **Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-14**

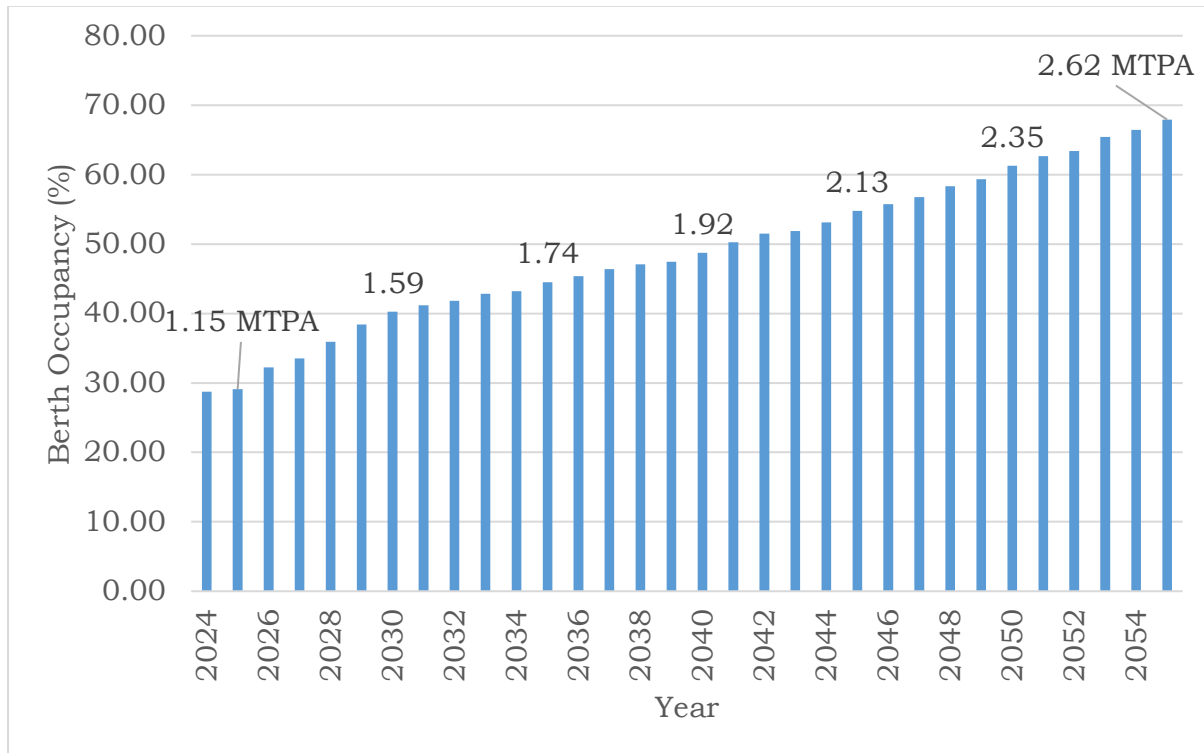
#### 6.2 BERTH OCCUPANCY AND PHASING

The factors assumed for berth occupancy were:

- Number of berths available : 1
- Number of working hours per day : 20 Hours
- Additional time per ship : 6 hrs  
(This includes time taken for berthing de-berthing and other formalities)
- No days working in a year : 330 days
- Berth throughput in 2055 : 2.62 MTPA

As per the vessel size analysis, historic parcel size and the forecasted traffic volumes, the berth occupancy was evaluated taking into consideration MHC with rated capacity of 1500 TPH. Guidelines for Development of Ports in developing countries published by United Nations Council for Trade and Development (UNCTAD) was referred to for determination of Berth capacity for the forecasted traffic.

The year wise berth occupancy for the proposed development is presented in **Figure 6-1** below.



**Figure 6-1 Year-wise Berth Occupancy as per UNCTAD**

### 6.2.1 Optimal berth capacity (TAMP)

The Tariff Authority for Major Ports (TAMP) Guidelines for upfront tariff setting for PPP Projects at Major Port Trusts, 2008 provides the guidelines for determination of optimal capacity of the Terminal.

As per the Guidelines, the Optimal terminal capacity is reckoned as 70% of the maximum capacity and is the lower value of the:

- i. Optimal quay capacity
- ii. Optimal yard capacity

Since the berth EQ-06 is proposed to be a multi-Purpose berth, the capacity of the berth is determined as per the Annexure V of the TAMP guidelines for assessing the tariff for PPP operator.

As per Annexure V of the guidelines, the optimal quay capacity is considered as the optimal terminal capacity as presented in **Figure 6-2**.



$$\text{Optimal capacity} = 0.7 \left\{ \frac{S_1}{100} \times P_1 + \frac{S_2}{100} \times P_2 + \frac{S_3}{100} \times P_3 + \dots \right\} \times 365$$

S1 - Percentage share of capacity of Cargo type 1  
 P1 - Handling rate of the vessel carrying Cargo type 1  
 S2 - Percentage share of capacity of Cargo type 2  
 P2 - Handling rate of the vessel carrying Cargo type 2  
 S3 - Percentage of share of capacity of Cargo type 3  
 P3 - Handling rate of the vessel carrying Cargo type 3  
 S4, P4, S5, P5 and so on depending on the number of different types of Cargo to be handled at the berth.

**Figure 6-2 Optimal quay capacity as per TAMP**

The **Table 6-1** below provides the capacity of cargo and their respective handling rates.

**Table 6-1 Cargowise handling rate (T/day)**

Sl. No.	Cargo	% Capacity of cargo [S]	Handling Rate of the cargo [P] (T/day)
1	Anthracite Coal	0.8	21000
2	Rock Phosphate	2.2	21000
3	Sulphur	3.4	21000
4	Limestone	2.4	21000
5	CP Coke (Import)	4.9	21000
6	Other Bulk Cargo Import	5.9	21000
9	Ammonium Nitrate	11.4	13650
10	Other Breakbulk Cargo (import)	2.9	13650
11	CP Coke (Export)	6.1	21000
12	Stone Aggregate	8.1	21000
13	Other Bulk Cargo Export	7.7	21000
14	Cement	2.0	13650
15	Iron and Steel	37.8	13650
16	Other Breakbulk Cargo (Export)	4.3	13650

Based on the above, the optimal terminal capacity was found out to be 4.27 MTPA.

### 6.3 DEVELOPMENT PHASING

Based on the berth occupancy discussion in previous Section, the development plans for the Mechanisation of EQ-06 is proposed in single phase.



One MHC and all allied equipment is proposed along with other civil and electrical infrastructure.

## **6.4 MARINE SIDE FACILITIES**

### **6.4.1 Berth**

The berth length available for EQ-06 is 255m. This includes the 142.6m of EQ6 berth and 112.4m of remaining part of EQ-5 berth. The berth length is sufficient for a design vessel with length of 200m with 25 m of safety margin space on either end.

### **6.4.2 Fender and Bollard**

The existing fenders and bollards are of sufficient capacity and do not warrant any modification.

### **6.4.3 Landside facilities**

#### **6.4.3.1 Compound wall and Drainage**

As per the information shared by VPA, the bearing capacity at the backup areas is 50kN/m<sup>2</sup>. This is sufficient for stacking of cargo up to 6m height and no bearing capacity improvement works are envisaged. The topography of the area is fairly flat, hence only minimal slope will be required for drainage.

The backup area is divided into two sections by custom bounded area boundary wall. As discussed with VPA, it has been concluded that the lessee has to demolish the existing wall and reconstruct the new wall of similar specifications such that the entire backup area will be outside the custom bounded area. The drawing **VPA-EQ06/PMS/2122-008/TEFR/DWG-15** shows location of the required modification.

It is proposed to provide R.C.C. drains on either side of internal roads. These drains will be raised by 250 mm above the surrounding ground to minimize entry of dry bulk cargo, but intermittent 300 mm wide x 250 mm deep openings will be provided at 5 m centre to centre to allow drainage of surface water from the surrounding ground.

## **6.5 PRELIMINARY STRUCTURAL ADEQUACY**

Berth EQ-06 was originally built in the year 1966 and went through structural upgradation during year 1998 & year 2012. As front monolithic structure is built in year 1966, it can be said that berth has completed its design life of 50 years in the



year 2016. Hence, it is recommended that periodical structural audits/health checks including under water inspections are required to be carried out (say every 2 years) as a preventive measure towards operations and maintenance of the berth.

The objective of the structural adequacy study are as follows:

- To study the structural stability of existing EQ-06 berth actual operating and non-operating conditions.
- To study the structural stability of EQ-06 berth for deepening sea bed level up to -15.15 m from CD (Monolith Toe level)

The Consultant have carried out a structural adequacy check of the existing structure. Based on the structural adequacy check under various scenarios, the berth is found to be safe to operate up to -15.15 mCD level. However, considering the scouring issues and exposure concrete base, it is recommended to limit the depth at the berth to -14.0 mCD only.

For the proposed development, no dredging is envisaged as the vessel sizes are smaller and require lesser drafts.

The details pertaining to preliminary structural adequacy assessment are provided in **Annexure 6.1**

## **6.6 STORAGE AREA**

Storage area plays an important role in smooth operations of port. Inadequate storage area may result in poor port performance parameters. Based on the discussion with VPA Officials and Stakeholders interactions, the **Table 6-2** below showcases the cargo wise storage area requirement considered for Berth EQ-06.



**Table 6-2 Cargowise storage area requirement**

Sl. No.	Cargo	Storage at Port
1	Anthracite Coal	Yes
2	Rock Phosphate	No
3	Sulphur	No
4	Limestone	Yes
5	CP Coke (Import)	No
6	Other Bulk Cargo	Yes
10	Ammonium Nitrate	No
11	Other Break Bulk Cargo-Import	Yes/ Temporary
12	CP Coke (Export)	No
13	Stone Aggregate	Yes
14	Other Bulk Cargo	Yes
15	Cement	Yes/Temporary
16	Iron and Steel	Yes
17	Other Breakbulk Cargo-Export	Yes/Temporary

A parcel of land of about 10.50 acres is available as Backup Area for storage. Along with the above-mentioned area, an immediate backup area 48mX250m along the length of the berth (3.03 acres) is also available.

The immediate backup area will be used for intermittent storage of the cargo only. And no permanent allocation is made in this area.

The storage capacity for various commodities is planned based on the maximum of following criterion:

- 5 – 10 % of the annual cargo throughput
- One month storage
- 1.5 times the Largest Parcel size

The layout of the storage area is presented in **VPA-EQ06/PMS/2122-008/TEFR/DWG-09**.



### 6.6.1 Open Storage area

Backup Area will be utilised for storage of both dry bulk and breakbulk cargo. The location is less than 300m away from berth and spreads across 10.50 acres. Owing to large number of low frequency cargos to be handled at EQ-06 with varying in parcel size, it will be difficult to allot dedicated storage lots. In order to optimise the storage space, the cargo storage layout has been defined such that multiple cargo can be stored at the same location. During planning, care has been taken that the dwell time is at least 28 days. The Backup Area has the following facilities:

- Dry bulk storage
- Break bulk open storage
- Pump house and Sump tank

#### 6.6.1.1.1 Dry bulk storage

Dry bulk storage Plot is allotted for all Dry bulk cargo. The area of this plot is about 20,200 Sqm with capacity of 118,000T of dry bulk cargo. The storage height of the cargo is restricted to 6m only.

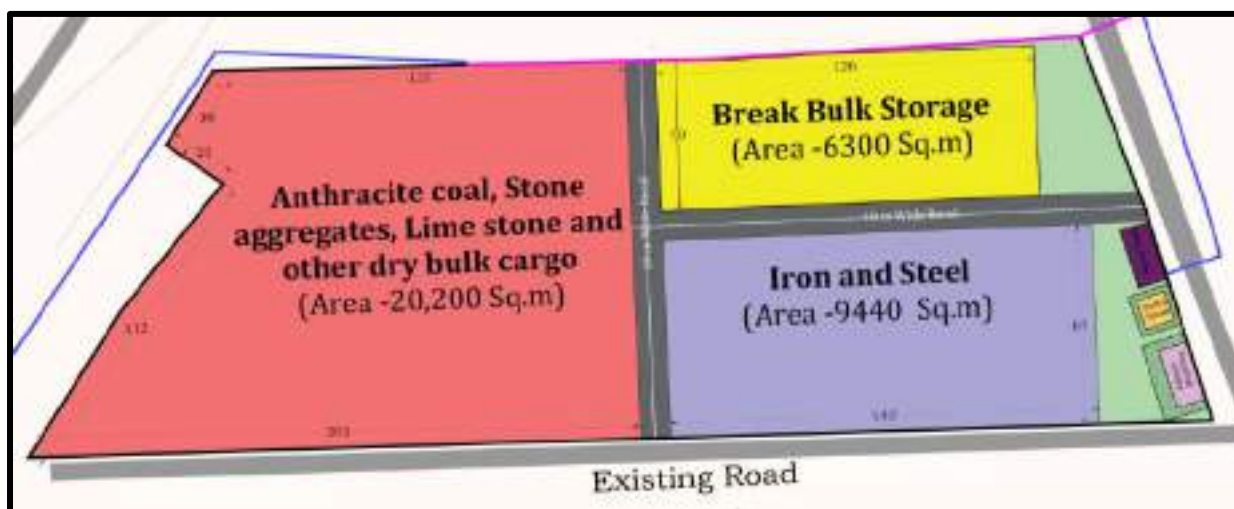
The **Table 6-3** below provides the summary of the dry bulk storage at Backup Area. An area of 20,200 Sqm is provided for storage of dry bulk cargo.

**Table 6-3 : Summary of Dry bulk cargo storage at Backup Area**

	Cargo	Parcel Size (Tons)	Annual Turnover	Area Required (Sqm)	Area Provided (Sqm)	Capacity (Tons)
1	Anthracite Coal	25,677	1	13,250	20,200	35,100
	Limestone	39302	2			59,000
	Other Dry bulk cargo	33,355	3			46,100
2	Stone Aggregates	15,453	9	6,950		59,000
	<b>Total</b>		<b>9</b>	<b>20,200</b>		<b>118,000</b>

**Figure 6-3** below depicts the layout of Backup Area





**Figure 6-3 : Layout of Backup Area**

#### **6.6.1.1.2 Iron and Steel Storage**

A plot of about 9,440 sqm is reserved for Iron and steel storage. The area is arrived such that the minimum dwell time is 28 days. With the average stacking height of 3m, the capacity of the allocated area turns out to be 47,700 T (0.62 MTPA). The storage area is sufficient for Iron and Steel till year 2037. However, additional area of about 1 acre will be required in future, which can be allocated on case-to-case basis as and when required.

#### **6.6.1.1.3 Other Breakbulk Storage**

Additional 6,300 sqm plot is proposed for temporary storage of various Break-bulk cargo like Cement bags, Bitumen drums, Silica, etc. To determine the storage space, 1.5 times the average parcel size was considered. Total capacity of this area is about 15,000 T.

#### **6.6.2 Summary**

The **Table 6-4** below provides the summary of the storage space provided in backup area.

**Table 6-4 Summary of storage area**

Sl. No.	Description	Area (Sq.m)
1	Dry bulk cargo	20,200
2	Iron and Steel	9,440
3	Break bulk cargo	6,300





## 6.7 CARGO HANDLING EQUIPMENT

The equipment is proposed for EQ-06 is presented in **Table 6-5** below:

**Table 6-5 : Mechanization equipment for preferred alternative**

Sl. No.	Description	Nos.
1	Mobile Harbour Crane (Rated capacity: 1500 TPH)	1
2	Mobile hopper (150 T)	1
3	Trucks (20 cum) [Rental Equipment]	23
4	Wheel loaders (2 cum bucket)	7
5	Fork lifts (5T)	5

### 6.7.1 Mobile harbour crane

A time cycle analysis was carried out on MHC with 1500 TPH rated capacity to understand various actions to be carried out during each cycle of material handling using MHC. The average times for above determined activities were assessed and it was found that a single cycle of material handling using grab required 100 to 102 seconds. With average output of 30 tons, in one hour the crane can make 35 operations reaching an output of 1050 TPH.

### 6.7.2 Mobile hoppers

For smooth operations, each MHC should be provided with a Mobile hopper. Hopper aids in seamless transfer of cargo from cranes to tipper trucks in batched manner. Considering a 20 sec. discharge period and 40 sec time between two trucks, the hoppers can serve to 60 Trucks each in an hour.

**Table 6-6** below provides the general specifications of Mobile hopper



**Table 6-6 : General specifications of Mobile hopper**

S1 No.	DESCRIPTION	SPECIFICATION
1	Type	Tyre mounted Mobile Hopper
2	Capacity	150 tons
3	Location	On berth adjacent to Mobile Harbour crane (MHC)
4	Material of Construction	Mild Steel (IS-2062, Grade--B), Mother Plate-12mm thk
5	Length of travel	10570
6	Drive	VVVF drive or Hydraulic drive
7	Rod gate	Provided at bottom of hopper
8	Handrail	Collapsible hand rail at top of hopper along with platform
9	Power supply	With CRD, flexible cable suitable for travel length
10	Discharge	From hopper via sector gates, into trucks

### 6.7.3 Tipper Trucks

Tipper trucks will be primary movers of cargo between berth and backup area. Considering the average distance of the stackyard from the berth and other times, a trip of loaded tripper from berth to stackyard and back will require 20 min. Hence a Truck can make effectively 3 trips each hour and 23 trucks will be required for seamless cargo transfer from berth to storage area and vice versa. General specifications for tipper trucks are presented in **Table 6-7** below.

It is assumed that all the tripper trucks will be procured on rental basis.



**Table 6-7 : General specifications of Tipper Trucks**

Sl No.	DESCRIPTION	SPECIFICATION
1	Type	Tyre mounted
2	Capacity	20 cum
3	Location	Collecting from Mobile hopper and unloading at stockyard
4	Model of Engine	Cummins - IS BE 5.6 BS-VI
5	Front axle	Heavy duty forged I beam reverse Eliot type
6	Rear axle	Single reduction heavy duty rear axle with differential lock
7	Suspension	Front - Semi elliptic leaf spring, Rear - TML bogie type
8	Frame	Heavy duty straight frame with riveted / bolted cross members with double sandwich type
9	Tyres	295/95 D20 (Nylon tyres)
10	Wheel base	3800mm

#### **6.7.4 Wheel loaders**

Wheel loaders will be used for stacking of the cargo received from berth in 6m high stacks. A well-trained operator can finish one cycle of loading cargo into truck in 35-37 seconds using wheel loader. Hence a 100 cycle's output of average 2 cum will yield to 200 cum of cargo handling capacity. Hence 6 nos. wheel loaders will be required at stockyard for import cargo and 1 Nos wheel loaders will be required at Immediate backup area or berth for export cargo.

### **6.8 ELECTRICAL WORKS**

#### **6.8.1 Power requirements**

The power requirement for the proposed development is summarised in **Table 6-8** below.



**Table 6-8 : Power Requirement for Berth EQ-06**

Sl. No.	Description	Quantity (Nos.)	Total Load (Kw)
1	Mobile Harbour Crane	1	150
2	Mobile hopper	1	80
3	Dust suppression system	1	90
4	Admin Building (200 sqm)	1	6
5	Illumination (48 Nos 350W LED)	1	16.8
6	Illumination (20 Nos 350W LED)	1	7
	Load Factor		0.85
<b>Total (KVA)</b>			<b>402</b>

### 6.8.2 Illumination

Illumination requirements for cargo handling operations at berth and stacking yards have been assessed and detailed lighting layout have been prepared and is presented in **Drawing no. VPA-EQ06/PMS/2122-008/TEFR/DWG-16**.

The illumination is provided with help of LED flood lights and 30m tall high mast poles. The average illumination provided is 25 Lux. Asymmetric type cluster of 12Nos. 350-Watt LED lights will be used at stackyards for illumination. **Table 6-9** below provides summary of the Illumination planning.

**Table 6-9 : Illumination summaray**

Area Description	Back Up Area	Immediate backup area
High Mast Pole Height (Meter)	30	30
High Mast Pole Quantity (Nos.)	4	2
Nos of 350W LED Flood Light per High Mast (Nos.)	12	10
Total LED Flood Light (Nos.)	48	20
Avg. Lux	25.83	25.64
Max. Lux.	46	45
Min. Lux	9	12
Min./Avg.	0.35	0.47
Min./Max.	0.2	0.27

### 6.8.3 Power Offtake

Power supply shall be obtained directly from APEPDCL from the nearest take-off point and VPA will assist in obtaining power from APEPDCL. Power requirement can



be tap in at high voltage (single line 110 KV, 3 Phase, 50 Hz) at 110 KV Switchyard located near pump house inside Port's boundary through single 3 core 33 KV XLPE cable up to the substation. The loading/unloading facility at berth will be fed from 11.0 KV switchgear panels provided in the Substation. At the substation 11.0/0.433 KV transformer of suitable capacity will be installed to feed power to LT loads for various equipment, illuminations, area lighting, street/road lighting, firefighting, water supply system, dust suppression system, etc.

## **6.9 WATER REQUIREMENT**

Fresh water and STP treated water will be required for daily functioning of the project. The fresh potable water will be utilised for various purposes like drinking, flushing and other human activities. The STP treated water will be utilised for dust suppression and gardening activities in green areas.

**Table 6-10** below illustrates the daily water requirements for berth EQ-06



**Table 6-10 : Water requirements for Berth EQ-06**

Sl. No.	Particulars	Unit	Total
<b>A</b>	<b>Potable Water requirement</b>		
1	No. of Berth personnel	person	30
2	No. of yard personnel	person	90
3	Total no. of personnel		120
4	Potable water consumption per person per day	litre /person	60
5	Total amount of potable water required per day	litre/day	7,200
		m <sup>3</sup> /day	7.2
<b>B</b>	<b>STP treated water requirement for the dust suppression and green area</b>		
1	Green area/ landscaping area	Sqm	3000
2	Water required for the green area/ landscaping	litre/ Sqm	6
3	No. of water delivering nozzles for the berth	Nos.	5
4	No. of water delivering nozzles at yard area	Nos.	9
5	Discharge rate of the water nozzle	m <sup>3</sup> /hr.	1.5
6	Operation days of the water nozzle	%	40%
7	Average water consumption per day for the dust suppression	m <sup>3</sup> /day	202
		litre/day	201,600
8	Average water consumption per day for Green Area	m <sup>3</sup> /day	18
		litre/day	18,000
<b>C</b>	<b>Total Water Requirement</b>		
1	Total potable water required per day	litre/day	7,200
2	Total STP treated water required per day	litre/day	219,600

The potable water will confirm to IS 10500:2012 for water quality.



## 6.10 DUST SUPPRESSION SYSTEM

Plain water dust suppression system is provided for dry bulk cargo stockpile to suppress the generated dust due to wind blowing. The **Figure 6-4** below illustrates sprinkler dust suppression in operation. Sprinkler post approximately 2mts height is installed on the spray header on both sides of stockpile. Manually operated globe valve shall be provided to control water supply to each spray unit. Pressure at inlet to spray unit shall not be less than 4.5 kg/cm<sup>2</sup>(g).

Pumps will be of horizontal centrifugal type with flooded suction condition directly coupled to the motor through flexible coupling and mounted on common sturdy base frame. Pump will be designed so that overstressing will not occur either in pump shaft or on drive due to sudden failure of power. Pump will confirm to IS:5120 and MOC of pump will be suitable to system requirement.

Pumps will be selected with a maximum capacity not less than 125% of rated capacity and will be suitable for continuous operation. Capacity of water tank will be adequate of minimum 1hr retention. Tank will be of MS construction and shall be fitted with vent over flow and drain connection.

The **Drawing no. VPA-EQ06/PMS/2122-008/TEFR/DWG-17** illustrates tentative locations of the sprinklers for dust suppression at the dry bulk storage yard.



**Figure 6-4 : Dust Suppression System using water sprinklers**

## 6.11 FIREFIGHTNING SYSTEM

Most of the cargo handled at Berth EQ-06 is non-volatile and stable in nature. Hence the firefighting will be taken care by existing fire tender available with the VPA.



## 6.12 BUILDINGS

### 6.12.1 Admin Building

Administrative office is necessary for the management and maintenance of berth facilities, for regulating activities relating to handling of cargo. Administrative officer along with his supporting staff is expected to work from this office to look after the day-to-day activities. Cargo administrative office provides for staff rooms, record room, toilet etc. Administrative building of 200 sqm can be used for this purpose at Backup Area.

### 6.12.2 Workshop

A maintenance workshop is required to cater for the repairs of yard equipment and to store various machinery, tools and consumables associated port facility management. An area of 200 Sqm can be used for workshop.

## 6.13 MANPOWER REQUIREMENT

The **Table 6-11** below gives the manpower requirement for operations at Berth EQ-06.

**Table 6-11 Manpower Requirement for Berth EQ-06**

Sl. No	Activity	No. of Shifts	Man power per shift	Total Manpower
1	MHC operator	3	1	3
2	Hopper Operator	3	1	3
3	Tipper Drivers	3	23	69
4	Wheel Loader Operators	3	7	21
5	Fork Lift Operator	3	5	15
6	Operations Manager	3	1	3
7	Guards	2	3	6
	<b>Total</b>		<b>41</b>	<b>120</b>

## 6.14 SYSTEM DESCRIPTION

### 6.14.1 Operation Philosophy

The selected alternative consists of MHC with Hoppers and Tipper for cargo handling. As discussed in Section 6.1, One nos. MHCs of rated capacity 1500 TPH will be required for unloading import cargo and loading export cargo.





At berth, the imported dry bulk cargo will be loaded onto trucks with help of moving hoppers. As for break bulk cargo, the unloading operations of import break bulk will take place with help of hooks and nets and will be manually loaded onto the trucks.

Flat bottom tipper trucks are proposed for transport of cargo from berths to backup areas for storage and final transit to hinterland. The distance between the berth and storage yard is less than a Kilometre, and it is expected that a round trip will take maximum 20 mins.

At backup area, the dry bulk will be unloaded via tipping operations and formed into neat piles of 6m height with help of wheel loaders. The break bulk cargo will be unloaded with help of forklifts/hydra cranes and stacked.

The cargo bound to export from berth EQ-06 will be received either at storage yards or immediate backup area adjacent to berth. The Dry bulk and break-bulk cargo received at storage area will be handled with help of payloaders and fork lifts respectively.

The cargo then loaded on tipper trucks will be delivered to immediate backup area with help of tipper trucks for final loading onto the ship with help of MHC for export. Provisions are made by providing an additional wheel loader at berth to form a pile of dry bulk export cargo for efficient offtake by MHCs.

The system design selected scheme is provided in **Annexure 6.2**.

# **CHAPTER 7**

## **COST ESTIMATE**



## CHAPTER 7

### COST ESTIMATE

#### 7.1 PREAMBLE

This chapter provides the capital cost estimate for the following alternatives:

- Alternative 1: One (1 no.) MHC with Mobile Hopper and Trucking
- Alternative 2: Two (2 nos.) MHC with Mobile Hopper and Trucking

The cost estimate is prepared based on the in-house data and latest Vendor Quotations.

Contingencies is provided against any unforeseen expenditures and variations in the estimates of costs. A contingency of 3% has been provided against Civil, Mechanical & Electrical Works. Additional 2% of the total capital expenditure is also added towards Engineering and Project Supervision services.

It is assumed that debt would be raised to meet project cost. Interest cost would be capitalized during construction period till Commercial Operation Date (COD). The debt is estimated to be raised at an interest rate of 10% p.a. (SBI One Year MCLR Rate of 7% + 3% Premium).

#### 7.2 COST ESTIMATE

##### 7.2.1 Capital Cost for Alternative 1

The cost estimate of the Alternative-1 i.e., Semi Mechanization with MHC, Mobile Hopper and Trucks for Import and Export cargo, is presented in **Table 7-1**.



**Table 7-1 Block cost estimate for Alternative 1**

Sr. No.	Description	Quantity (Nos.)	Rate/Unit (INR Crore)	Amount (INR Crore)
<b>A</b>	<b>Mechanical Components</b>			
1	Mobile Harbour Crane (1500 TPH)	1.00	45.00	45.00
2	Mobile Hoppers (150 T)	1.00	3.25	3.25
3	Wheel loaders	7.00	0.50	3.47
4	Movable trucks	23.00	Rental Equipment	
5	Fork Lifts	5.00	0.45	2.25
6	Dust Suppression system	1.00	1.20	1.20
7	Initial Operating Spares	1.00	5%	2.76
	<i>Sub Total (Part - A)</i>			<b>57.92</b>
<b>B</b>	<b>Civil &amp; Structural Components</b>			
1	Site Grading	10.50	0.05	0.53
2	Internal Roads	1.00	1.50	1.50
3	Storm water drain	1.00	0.90	0.90
	<i>Sub Total (Part - B)</i>			<b>2.93</b>
<b>C</b>	<b>Electrical &amp; Instrumentation</b>			
1	Electrical Works	1.00	1.90	1.90
	<i>Sub Total (Part - C)</i>			<b>1.90</b>
	<b>Cost A+B+C (Crores)</b>			<b>62.7</b>
	Engineering and Project Supervision		2%	1.25
	Contingencies		3%	1.88
	<b>Block Cost</b>			<b>65.9</b>
	Interest During construction			3.80
	<b>Total Project Cost</b>			<b>69.69</b>

The capital cost expected for the project is about INR 69.69 Crore.

### 7.2.2 Capital Cost for Alternative 2

The cost estimate of the Alternative-2 i.e., Semi Mechanization with Two MHC, Mobile Hopper and Trucks for Import and Export cargo, is presented in **Table 7-2**.



**Table 7-2 Block cost estimate for Alternative 2**

Sr. No.	Description	Quantity (Nos.)	Rate/Unit (INR Crore)	Amount (INR Crore)
<b>A</b>	<b>Mechanical Components</b>			
1	Mobile Harbour Crane (800 TPH)	2.00	30.00	60.00
2	Mobile Hoppers (100 T)	2.00	2.00	4.00
3	Wheel loaders	8.00	0.50	3.96
4	Movable trucks	26.00	Rental Equipment	
5	Fork Lifts	5.00	0.45	2.25
6	Dust Suppression system	1.00	1.20	1.20
7	Initial Operating Spares	1.00	5%	3.57
	<i>Sub Total (Part - A)</i>			<b>74.98</b>
<b>B</b>	<b>Civil &amp; Structural Components</b>			
1	Site Grading	10.50	0.05	0.53
2	Internal Roads	1.00	1.50	1.50
3	Storm water drain	1.00	0.90	0.90
	<i>Sub Total (Part - B)</i>			<b>2.93</b>
<b>C</b>	<b>Electrical &amp; Instrumentation</b>			
1	Electrical Works	1.00	2.10	2.10
	<i>Sub Total (Part - C)</i>			<b>2.10</b>
	<b>Total Cost A+B+C (Crores)</b>			<b>80.0</b>
	Engineering and Project Supervision		2%	1.60
	Contingencies		3%	2.40
	<b>Block Cost</b>			<b>84.0</b>
	Interest During construction			4.84
	<b>Total Project Cost</b>			<b>88.85</b>

The capital cost expected for the project is about INR 88.85 Crore.

The cost for Alternative 2 is only for information purpose. However, the financial analysis is carried out for selected alternative (Alternative 1) only.

# **CHAPTER 8**

## **ENVIRONMENTAL ASPECTS**



## CHAPTER 8

### ENVIRONMENTAL ASPECTS

#### 8.1 INTRODUCTION

The proposed project involves the brownfield development/modernization/upgradation of berth EQ-06 located in the inner harbour of Vishakhapatnam Port. The project involves operational planning in terms of equipment and operational philosophy of the cargo along with evaluation of dredging requirement at berth as well as planning for backup stack yard identified for berth EQ-06 towards envisaged cargo storage and handling. The proposed project location is explained in Chapter 1 of the report.

Towards upgradation/mechanization of the berth EQ-06 following assessment were carried out:

- i. Structural Adequacy Check with assessment of structural upgradation required (Refer Chapter 5 of the Report)
- ii. Analysis and Evaluation of various mechanization alternatives based (Refer Chapter 5 of the Report)
- iii. Dredging required based on anticipated vessel scenario (Refer Chapter 5 of the Report).

The Berth of EQ-06 has existing approved consented cargo handling capacity of 0.78 MTPA, where current traffic estimation for 2021-2022 is about 0.90 MTPA. According to the demand estimation for 30 years of traffic projection, the demand was estimated to be 2.62 MTPA.

Taking into consideration envisaged traffic and vessel scenario, no structural upgradation has been recommended. Further, the Alternative 1 - MHC, with hopper and truck system” was recommended as a suitable option towards cargo handling at berth.

Accordingly, environmental aspects associated with the project component are presented in this Chapter.



## **8.2 APPLICABLE LEGAL FRAMEWORK, STANDARDS & GUIDELINES**

The environmental regulations, legislations and policy guidelines and control that may impact the project are the responsibility of a variety of Government agencies. The principal environmental regulatory agency in India is the Ministry of Environment and Forests & Climate Change (MoEF&CC), Delhi. MoEF&CC formulates environmental policies and also accords environmental clearance for different projects.

Many State and Central legislations have a bearing on environment but laws on environment protection have been notified recently. These legal enactments can be broadly classified in the terms of focus areas, viz. pollution, natural resources and linkages between pollution and natural resources. The following are the important applicable environmental legislations related to the proposed project:

1. EIA Notification 2006 and its subsequent amendments
2. Coastal Regulation Zone Notification, 2011 and its subsequent amendments
3. Water (Prevention and Control of Pollution) Act, 1974 and its amendments
4. Air (Prevention and Control of Pollution) Act, 1981 and its amendments
5. Forest Conservation Act, 1980 and its amendments
6. Environmental (Protection) Rules, 1986 and its amendments
7. The Noise Pollution (Regulation and control) rules, 2000
8. Hazardous Waste (Management, Handling and Trans-boundary movement) Rules, 2016 and its amendments
9. Solid Waste Management Rules, 2016
10. Wildlife Protection Act, 1972

## **8.3 ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL**

### **8.3.1 Air Pollution Control**

- Use of air-water mist Dust fogger in Solid and Coal stack yard, hinterland loading unloading and hopper operation area.
- Use of water sprinkler during construction phase and unpaved approach areas.
- Mandatory use of tarpaulin covered trucks for solid material movement.
- Regular checking of PUC certificates of the trucks operating within the port area.
- Covering of coal stack yard during monsoon season.





- Plantation of dust absorbing and long leaf surface plants.

### **8.3.2 Water Pollution Control**

- Construction of collection chambers towards drainage flow before the harbour, to avoid mixing of wastes and suppressed dust into storm water runoff during monsoon season.
- Construction of isolated settling ponds around the coal stack yard.
- Treatment of runoff water from sprinkling and cleaning of backup area and reuse the same in water sprinkling and gardening.

### **8.3.3 Noise Pollution Control**

- Use of DG sets having acoustic enclosures and higher noise attenuation.
- Use of automated mechanical instruments instead of manual handling during truck unloading.
- Regular and preventive maintenance of all mechanical equipment and instruments.
- Regular monitoring of ambient noise level at operation areas and control of working hours in high noise generating areas.
- Arrangement of yearly health and hearing disability checking camps.
- Regular provision of ear muffs, ear plugs to the operators operating in high noise generating area and monitoring of the use of PPEs.

The above-mentioned actives are to be incorporated to reduce the environmental pollution due to cargo handling and storage activities.

# **CHAPTER 9**

## **IMPLEMENTATION SCHEDULE**



## CHAPTER 9

### IMPLEMENTATIONS SCHEDULE

The implementation schedule for this project is divided into following two major activities:

- i. Selection of PPP Operator/ Pre construction activities
- ii. Construction activities

#### 9.1 SELECTION OF PPP OPERATOR/ PRE-CONSTRUCTION ACTIVITY

The selection of PPP operator is scheduled to take about 15 months from the approval of Prefeasibility studies. The following activities are considered during this period:

- i. SFC Application submission
- ii. SFC Approval
- iii. Floating/ Launch of RFQ
- iv. RFQ shortlisting and announcement
- v. Security clearance from GoI
- vi. Issue of RFP, Bid submission, Bid Evaluation
- vii. Issue of LOA
- viii. Execution of the contract with the PPP Operator
- ix. Condition Precedent including Financial Closure
- x. Award of Project

#### 9.2 CONSTRUCTION ACTIVITY

The construction of the proposed facilities for mechanization is expected to 18 Months from the award of the project. This period includes the required civil construction activities, procurement of Mechanical equipment etc.

The Detailed Implementation schedule is presented in **Annexure 9.1**.

The total duration required for the development activity is 33 months. Assuming the process starts in month of April 2022, the berth can be commissioned to operate from December 2024.

# **CHAPTER 10**

## **FINANCIAL ANALYSIS**



## **CHAPTER 10**

### **FINANCIAL ANALYSIS**

#### **10.1 INTRODUCTION**

The objective of this Chapter is to assess financial viability of mechanization of Berth EQ-6 at VPA under PPP mode.

The Financial analysis is an important message to decision maker to decide how a project can be implemented. In this Chapter, the Consultant has attempted to assess the value that can be derived, by letting Private Operator mechanize existing Berth EQ-6 under PPP mode. The study included the key standard parameter i.e. Project Internal Rate of Return (Project IRR) based on discounted cash flow statement for 30 years.

The financial analysis has been carried out for Alternative 1: One (1 no.) MHC with Mobile Hopper and Trucking.

The optimal terminal capacity as per TAMP varies from the berth capacity for actual traffic (as per UNCTAD) as factors like turnaround time, etc. are not considered while estimating optimal terminal capacity using TAMP Guidelines. Hence, the Tariff is estimated and financial analysis is done based on optimal terminal capacity as per TAMP guidelines and Actual traffic as per UNCTAD.

#### **10.2 APPROACH OF ANALYSIS**

- The financial model takes inputs from the technical studies done for the project and other data sources for financial assumptions.
- Due to large number of commodities, Traffic is grouped into four types namely Dry Bulk Import, Dry Bulk Export, Break Bulk Import and Break Bulk Export.
- The block capital costs for all the project elements have been taken as per technical inputs.
- The base year for calculation of capital costs is 2021-22.
- The base year for calculation of Cargo related Upfront Tariff is 2021-22.
- Inflation is assumed to be 3% for Upfront Tariff and 2% otherwise.
- Financing assumptions and data relating to loans, interest rates, tenure etc. have been taken on the basis of prevailing market trends.



- The Financial analysis is done on a thirty-year Concession Period and Traffic up to 2053-54.
- Based on discussion with VPA, the Analysis is conducted for Alternative 1, as per TAMP and UNCTAD Guidelines.

### 10.3 PROJECT COST

**Table 10-1 Cargo Handling Project Cost**

Item	INR Crore
Civil Works	2.93
Mechanical Works	
Mobile Harbour Crane (MHC)	47.25
Mobile Hopper	3.41
Wheel Loader	3.64
Fork Lifts	2.36
Dust Suppression System	1.26
Electrical Works	1.90
Contingency (3%)	1.88
Engineering & Project Supervision (2%)	1.25
Interest During Construction (IDC)	3.80
<b>PROJECT COST</b>	<b>69.69</b>

#### 10.3.1 Contingencies, Engineering and PMC

Contingencies is provided against any unforeseen expenditures and variations in the estimates of costs. A contingency of 3% has been provided against Civil, Mechanical & Electrical Works. Additional 2% of the total capital expenditure is also added towards Engineering and Project Supervision services.

#### 10.3.2 Interest During Construction (IDC)

It is assumed that debt would be raised to meet project cost. Interest cost would be capitalized during construction period till Commercial Operation Date (COD). The debt is estimated to be raised at an interest rate of 10% p.a. (SBI One Year MCLR Rate of 7% + 3% Premium). Share of IDC in total Project Cost is expected to be 5.45%.



## 10.4 MEANS OF FINANCE

The cost of the project varies due to option of implementation adopted. The Project is proposed to be financed with Debt to Equity mix of 70:30, which is generally the acceptable norm considered by lenders for financing infrastructure projects.

**Table 10-2 Debt to Equity Mix of 70:30**

Means of Finance	INR Crore
Equity	20.91
Debt	48.78
<b>Total</b>	<b>69.69</b>

It is assumed that debt raised for construction would be repaid within 10 years with no moratorium.

## 10.5 PROJECT COST FOR UPFRONT TARIFF

**Table 10-3 Project Cost for Upfront Tariff (INR Crore)**

Item	Optimal Terminal Capacity (TAMP Guidelines)	Actual traffic (UNCTAD)
Civil Works	2.93	2.93
Mechanical Works		
Mobile Harbour Crane (MHC)	47.25	47.25
Mobile Hopper	3.41	3.41
Wheel Loader	3.64	3.64
Fork Lifts	2.36	2.36
Dust Suppression System	1.26	1.26
Electrical Works	1.90	1.90
Contingency (3%)	1.88	1.88
Engineering & Project Supervision (2%)	1.25	1.25
Miscellaneous Cost (5%)	3.19	-
Interest During Construction (IDC)	-	3.80
<b>PROJECT COST</b>	<b>69.18</b>	<b>69.69</b>



Project Cost is distributed among groups either based on number of hours' asset is used at optimal capacity or based on cargo handled at optimal capacity, as the case may be. Detailed distribution of Project Cost among commodities is given in **Annexure 10.1**.

**Table 10-4 Project Cost Distribution (INR Crore)**

Capital Cost	Total	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
<b>Optimal Terminal Capacity (TAMP Guidelines)</b>	69.18	15.44	11.91	10.48	31.36
<b>Actual traffic (UNCTAD)</b>	69.69	15.51	11.97	10.58	31.62

## 10.6 FINANCIAL CONSIDERATIONS

### 10.6.1 Traffic Considerations

The Consultant has studied and assessed past traffic data of VPA in conjunction with traffic assigned to Berth EQ-6. Future traffic is estimated post review of recent traffic study reports of VPA along with market assessment based on desktop research. For the forecasted traffic, tariff is determined assuming Private Operator would expect 16% Return On Capital Employed (ROCE). Traffic forecast for each of the commodity group under Base Scenario is summarized below and detailed as **Annexure 10.2**.

**Table 10-5 Traffic Forecast Summary - Base Scenario (Million MT)**

Commodity	2026	2030	2035	2040	2045	2050	2054
Dry Bulk Import	0.37	0.41	0.43	0.44	0.46	0.47	0.49
Dry Bulk Export	0.31	0.39	0.42	0.45	0.48	0.52	0.56
Break Bulk Import	0.10	0.15	0.18	0.22	0.27	0.33	0.38
Break Bulk Export	0.46	0.63	0.71	0.80	0.91	1.03	1.15
<b>Total Cargo</b>	<b>1.24</b>	<b>1.58</b>	<b>1.73</b>	<b>1.91</b>	<b>2.12</b>	<b>2.35</b>	<b>2.57</b>

### 10.6.2 Operation and Maintenance (O&M) Cost

The annual operating cost of the Cargo Handling Operations shall be estimated based on cost incurred. For the purpose of Upfront Tariff, 70% Optimal Capacity as per TAMP and UNCTAD Guidelines is used. Capital Cost is distributed between





commodities based on Machine Hours or Cargo Handled at Optimal Capacity. Mechanical Hire Charges, Operation Cost, Repairs and Maintenance Cost of Fixed Asset, Insurance, Depreciation of Fixed Asset and Other Expenses are the cost elements used to compute Operation and Maintenance Cost during operations.

Parameters used to distribute each of the above cost elements between commodities is given in **Table 10-6** below

**Table 10-6 Cargo Handling Distribution Parameter of O&M Cost**

Cost Element	Parameter
Operation Cost	Hours, Machine is Used at Optimal Capacity
Mechanical Hire Charges + Repair & Maintenance Cost + Insurance + Depreciation Cost + Other Expenses	Capital Cost Distribution

A detailed Operation and Maintenance Cost is presented in **Annexure 10.3**.

**Table 10-7 Cargo Handling Operation and Maintenance Cost Assumptions (INR Crore)**

<b>Optimal Terminal Capacity (TAMP Guidelines)</b>	<b>Total</b>	<b>Dry Bulk Export</b>	<b>Dry Bulk Export</b>	<b>Break Bulk Import</b>	<b>Break Bulk Export</b>
Mechanical Hire Charges (INR 60 per MT)	25.61	5.03	5.61	3.68	11.29
<b>Power and Fuel Cost</b>	<b>4.08</b>	<b>0.77</b>	<b>0.76</b>	<b>0.64</b>	<b>1.91</b>
Mobile Harbour Crane (1000 Kwh x INR 6.70 per Unit)	4,144 Hours	665 Hours	670 Hours	705 Hours	2,104 Hours
Mobile Hopper (22 Kwh x INR 6.70 per Unit)	665 Hours	665 Hours	-	-	-
Wheel Loader (7 Ltrs x INR 95.17 per Ltr)	9,345 Hours	4,655 Hours	4,690 Hours	-	-
Fork Lift (5 Ltrs x INR 95.17 per Ltr)	14,045 Hours	-	-	3,525 Hours	10,520 Hours
<b>Repair &amp; Maintenance Cost</b>	<b>3.02</b>	<b>0.68</b>	<b>0.51</b>	<b>0.46</b>	<b>1.37</b>
Civil (1% of Civil Capital Cost)	0.03	0.01	0.01	0.00	0.01
Mechanical (5% of Mechanical Capital Cost)	2.90	0.65	0.49	0.44	1.32
Electrical (5% of Electrical Capital Cost)	0.10	0.02	0.02	0.01	0.04
Insurance Cost (1% of Capital Cost)	0.67	0.15	0.12	0.10	0.31
License Fee (Area: 42,492.03 Sqm x Rate per Sqm per Annum: INR 322.58)	1.37	0.27	0.30	0.20	0.60
<b>Depreciation</b>	<b>3.94</b>	<b>0.88</b>	<b>0.68</b>	<b>0.60</b>	<b>1.79</b>
Civil (3.17% of Civil Capital Cost)	0.09	0.02	0.02	0.01	0.04
Mechanical (6.33% of Mechanical Capital Cost)	3.67	0.83	0.62	0.56	1.67
Electrical (9.50% of Electrical Capital Cost)	0.18	0.04	0.04	0.03	0.08
Other Expenses (5% of Capital Cost)	3.46	0.77	0.60	0.52	1.57
<b>Total</b>	<b>42.16</b>	<b>8.54</b>	<b>8.58</b>	<b>6.20</b>	<b>18.84</b>



Actual traffic (UNCTAD)	Total	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
Mechanical Hire Charges (INR 60 per MT)	15.42	2.93	3.34	2.28	6.88
<b>Power and Fuel Cost</b>	<b>4.08</b>	<b>0.77</b>	<b>0.76</b>	<b>0.64</b>	<b>1.91</b>
Mobile Harbour Crane (1000 Kwh x INR 6.70 per Unit)	4,144 Hours	665 Hours	670 Hours	705 Hours	2,104 Hours
Mobile Hopper (22 Kwh x INR 6.70 per Unit)	665 Hours	665 Hours	-	-	-
Wheel Loader (7 Ltrs x INR 95.17 per Ltr)	9,345 Hours	4,655 Hours	4,690 Hours	-	-
Fork Lift (5 Ltrs x INR 95.17 per Ltr)	14,045 Hours	-	-	3,525 Hours	10,520 Hours
<b>Repair &amp; Maintenance Cost</b>	<b>3.02</b>	<b>0.68</b>	<b>0.51</b>	<b>0.46</b>	<b>1.37</b>
Civil (1% of Civil Capital Cost)	0.03	0.01	0.01	0.00	0.01
Mechanical (5% of Mechanical Capital Cost)	2.90	0.65	0.49	0.44	1.32
Electrical (5% of Electrical Capital Cost)	0.10	0.02	0.02	0.01	0.04
Insurance Cost (1% of Capital Cost)	0.66	0.15	0.11	0.10	0.30
<b>Depreciation</b>	<b>3.94</b>	<b>0.88</b>	<b>0.68</b>	<b>0.60</b>	<b>1.79</b>
Civil (3.17% of Civil Capital Cost)	0.09	0.02	0.02	0.01	0.04
Mechanical (6.33% of Mechanical Capital Cost)	3.67	0.83	0.62	0.56	1.67
Electrical (9.50% of Electrical Capital Cost)	0.18	0.04	0.04	0.03	0.08
Other Expenses (5% of Capital Cost)	3.48	0.78	0.60	0.53	1.58
<b>Total</b>	<b>30.60</b>	<b>6.17</b>	<b>6.00</b>	<b>4.61</b>	<b>13.83</b>



### 10.6.3 Return On Capital Employed (ROCE)

The Private Operator would expect a fair return on capital employed. A 16% Return On Capital Employed (ROCE) is considered adequate for the Private Operator. The same is presented in **Table 10-8**:

**Table 10-8 Cargo Handling ROCE Allocation (INR Crore)**

Optimal Terminal Capacity (TAMP Guidelines)	Assumption	Total	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
Capital Cost		69.18	15.44	11.91	10.48	31.36
ROCE	16% of Capital Cost	11.07	2.47	1.90	1.68	5.02

Actual traffic (UNCTAD)	Assumption	Total	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
Capital Cost		69.69	15.49	11.97	10.60	31.63
ROCE	16% of Capital Cost	11.15	2.48	1.92	1.69	5.06

### 10.6.4 Revenue Considerations

Annual Revenue Requirement of operating the berth at the normative optimal capacity is the sum of the annual Operation and Maintenance Cost and ROCE of 16% provided on the Capital Cost. Summary of revenue under each traffic group is presented below:

**Table 10-9 Upfront Tariff Computation (INR Crore)**

Optimal Terminal Capacity (TAMP Guidelines)	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
O&M Cost	8.54	8.58	6.20	18.84
ROCE	2.47	1.83	1.63	5.02
Annual Revenue Requirement (O&M Cost + ROCE)	11.01	10.48	7.88	23.86
Cargo Handling Revenue (90%)	9.91	9.43	7.09	21.47
Storage Revenue (5%)	0.55	0.52	0.39	1.19



<b>Optimal Terminal Capacity (TAMP Guidelines)</b>	<b>Dry Bulk Export</b>	<b>Dry Bulk Export</b>	<b>Break Bulk Import</b>	<b>Break Bulk Export</b>
Miscellaneous Revenue (5%)	0.55	0.52	0.39	1.19
Optimum Capacity (MTPA)	0.84	0.94	0.61	1.88
<b>Upfront Tariff (INR/MT)</b>	<b>131.48</b>	<b>112.09</b>	<b>128.42</b>	<b>126.82</b>

<b>Actual traffic (UNCTAD)</b>	<b>Dry Bulk Export</b>	<b>Dry Bulk Export</b>	<b>Break Bulk Import</b>	<b>Break Bulk Export</b>
O&M Cost	6.17	6.00	4.61	13.83
ROCE	2.48	1.92	1.69	5.06
Annual Revenue Requirement (O&M Cost + ROCE)	8.65	7.92	6.30	18.88
Cargo Handling Revenue (90%)	7.79	7.12	5.67	17.00
Storage Revenue (5%)	0.43	0.40	0.32	0.94
Miscellaneous Revenue (5%)	0.43	0.40	0.32	0.94
Optimum Capacity (MTPA)	0.49	0.56	0.38	1.15
<b>Upfront Tariff (INR/MT)</b>	<b>177.22</b>	<b>142.32</b>	<b>165.81</b>	<b>164.80</b>

### 10.6.5 Storage Revenue Considerations

Storage Charges are charges levied for Storage of Cargoes beyond allowable period. As per TAMP Guidelines, 5 days are allowed as free period for Import Cargo and 15 days for Export Cargo beyond which Storage Charges are applicable. Based on Annual Revenue Requirement, Storage Revenue Requirement to Operator would be as given below:

**Table 10-10 Storage Revenue Requirement (INR Crore)**

<b>Storage Revenue Requirement</b>	<b>Dry Bulk Export</b>	<b>Dry Bulk Export</b>	<b>Break Bulk Import</b>	<b>Break Bulk Export</b>
<b>Optimal Terminal Capacity (TAMP Guidelines)</b>	0.55	0.52	0.39	1.18
<b>Actual traffic (UNCTAD)</b>	0.43	0.40	0.32	0.94

Break-up of Storage Revenue Requirement based on Storage Period is summarized below and a detailed break-up is enclosed as **Annexure 10.4**.



**Table 10-11 Storage Revenue Break-up (TAMP)**

Commodity	Storage Period (Days)	TAMP	
		Storage Rate (INR per MT per Day)	Storage Revenue (INR Crore)
<b>Dry Bulk Import</b>	Free Period	-	-
	6-10	1.13	0.24
	11-15	1.70	0.21
	>15	2.27	0.09
			<b>0.55</b>
<b>Dry Bulk Export</b>	Free Period	-	-
	16-20	1.08	0.23
	21-25	1.62	0.20
	>25	2.16	0.09
			<b>0.52</b>
<b>Break Bulk Import</b>	Free Period	-	-
	6-10	0.81	0.17
	11-15	1.22	0.15
	>15	1.62	0.07
			<b>0.39</b>
<b>Break Bulk Export</b>	Free Period	-	-
	6-10	2.46	0.52
	11-15	3.68	0.46
	>15	4.91	0.21
			<b>1.19</b>



**Table 10-12 Storage Revenue Break-up (UNCTAD)**

Commodity	Storage Period (Days)	UNCTAD	
		Storage Rate (INR per MT per Day)	Storage Revenue (INR Crore)
<b>Dry Bulk Import</b>	Free Period	-	-
	6-10	1.54	0.19
	11-15	2.31	0.17
	>15	3.08	0.08
			<b>0.43</b>
<b>Dry Bulk Export</b>	Free Period	-	-
	16-20	1.41	0.17
	21-25	2.12	0.15
	>25	2.82	0.07
			<b>0.40</b>
<b>Break Bulk Import</b>	Free Period	-	-
	6-10	1.12	0.14
	11-15	1.68	0.12
	>15	2.24	0.05
			<b>0.32</b>
<b>Break Bulk Export</b>	Free Period	-	-
	6-10	3.36	0.41
	11-15	5.05	0.37
	>15	6.73	0.16
			<b>0.94</b>



## 10.7 FINANCIAL ANALYSIS

Based on the above discussions, with mix of key input variables and traffic estimates, Cash Flow Statement is drawn, and is enclosed as **Annexure 10.5**, for Private Operator to assess its Pre-Tax Project IRR. The output of the Key Parameter of the Operator is tabulated below

**Table 10-13 Summary for Key Financial Parameters**

Key Parameter	Project IRR
Optimal Terminal Capacity (TAMP Guidelines)	8.4%
Actual traffic (UNCTAD)	16.3%

## 10.8 SENSITIVITY ANALYSIS

The Consultant has sensitized Pre-Tax Project IRR on Adverse Traffic Deviation when Cargo Handling Operations is given to Private Operator. The Pre-Tax Project IRR of the Operator post sensitivity analysis is tabulated below

**Table 10-14 Summary of Pre-Tax Project IRR Sensitivity Analysis**

Adverse Traffic Deviation	TAMP	UNCTAD
0.0%	8.4%	16.3%
(2.5%)	7.6%	15.9%
(5.0%)	6.8%	15.4%
(7.5%)	5.9%	14.9%
(10.0%)	5.0%	14.5%



# **CHAPTER 11**

## **CONCLUSION**



## CHAPTER 11

### CONCLUSIONS

#### 11.1 CONCLUSION

Based on the outcome of the traffic assessment study, facility planning, selection of most optimal mechanisation/cargo handling system, adequacy of existing facilities and additional facility identification discussed in various Chapters of this Report, the following Conclusions were drawn:

- a) **Traffic:** The total import and export cargo is estimated to be 1.15MT in year 2025 and about 2.62MT by year 2055.
- b) **Vessel size and dredging requirements:** The maximum vessel sizes envisaged at the berth EQ-06 would be 50,000DWT and 25,000DWT for bulk cargo and break-bulk cargo respectively. Since the existing depth [(-)13.5 m CD] is more than the required depth of 12.1m, no dredging is envisaged.
- c) **Berth Structure and Furniture:** No modifications to the existing berthing structure and its furniture are envisaged.
- d) **Equipment:** Based on effective berth occupancy and stacking yard utilisation, the following equipment is proposed for development:

Sl. No.	Description	Nos.
1	Mobile Harbour Crane (1500 TPH)	1
2	Mobile hopper (150 T)	1
3	Trucks (20 cum) [Rental equipment]	23
4	Wheel loaders (2 cum bucket)	7
5	Fork lifts (5T)	5

- e) **Storage area:** Backup area reserved for the storage is adequate for dry bulk and break-bulk cargo.
- f) **Utilities:** All the other infrastructure facilities including utilities (power and water) firefighting systems, dust suppression systems and the like are assessed and proposed for the further development.
- g) **Project Cost:** The total cost of the project is assessed to be Rs. 69.69 Crore.
- h) **Tariff:** The tariff was found to be as follows:



Upfront Tariff (INR/MT)	Dry Bulk Export	Dry Bulk Export	Break Bulk Import	Break Bulk Export
<b>Optimal Terminal Capacity (TAMP Guidelines)</b>	131.48	112.09	128.42	126.82
<b>Actual traffic (UNCTAD)</b>	177.22	142.32	165.81	164.80

- i) **Financial Analysis:** The results of the financial analysis is presented in the table below.

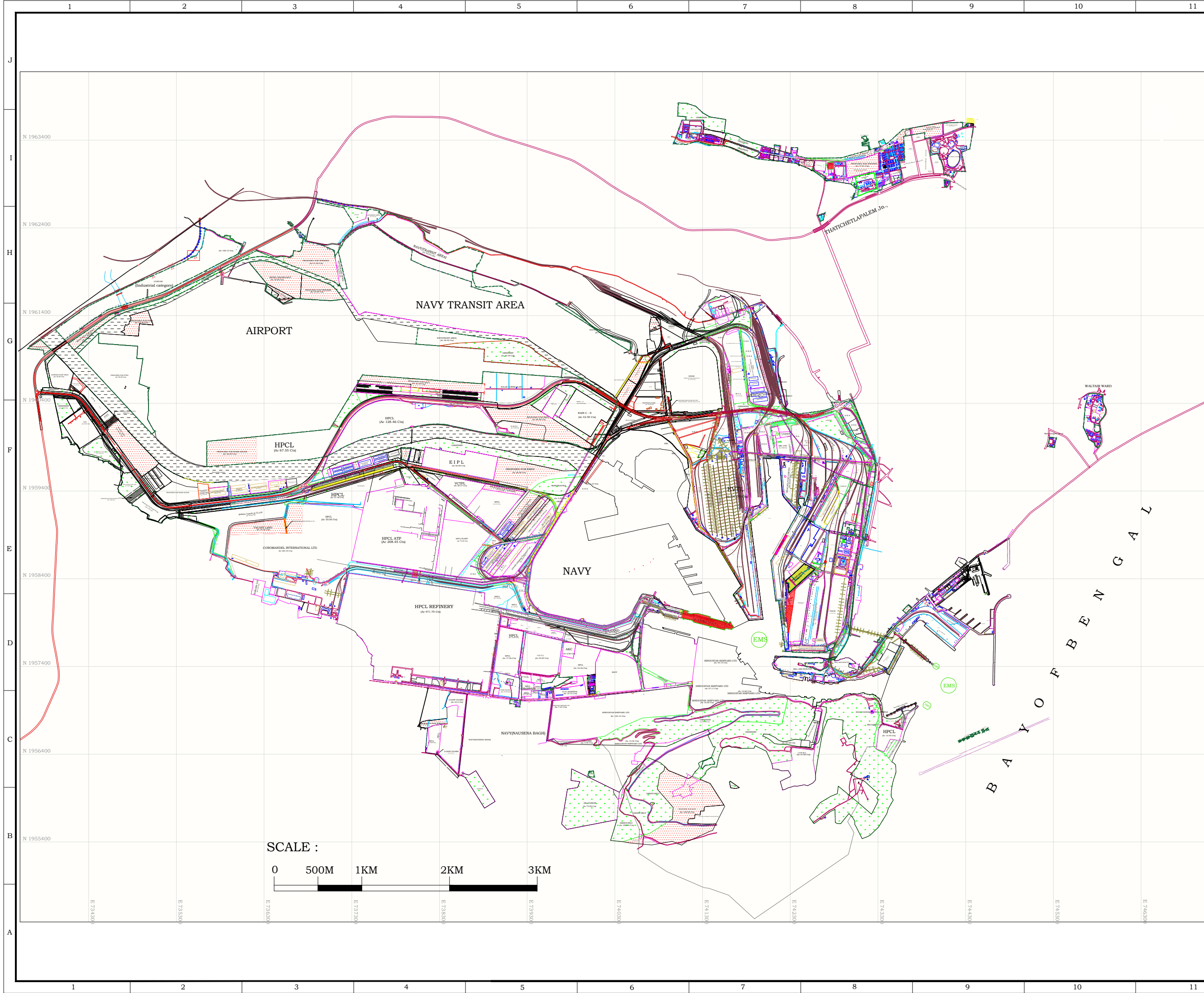
Basis	Project IRR
<b>Optimal Terminal Capacity (TAMP Guidelines)</b>	8.4%
<b>Actual traffic (UNCTAD)</b>	16.3%

**Drawings**

**Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)**

**List of Drawings**


Sl. No.	DRAWING NAME	DRAWING NUMBER
1	Master Plan - Visakhapatnam Port	VPA-EQ06/PMS/2122-008/TEFR/DWG-01
2	Layout of EQ 06 Berth with Backup Area	VPA-EQ06/PMS/2122-008/TEFR/DWG-02
3	Bathymetry layout - EQ 06 Berth	VPA-EQ06/PMS/2122-008/TEFR/DWG-03
4	Utility Drawings nearby EQ-06 Berth and Backup Area	VPA-EQ06/PMS/2122-008/TEFR/DWG-04
5	Dredging Layout for Berth EQ-06	VPA-EQ06/PMS/2122-008/TEFR/DWG-05
6	Plan, Cross Section for Berth EQ-06	VPA-EQ06/PMS/2122-008/TEFR/DWG-06
7	Structural Drawings of Berth EQ-06 with Dredged Depth 12m & 14.00m	VPA-EQ06/PMS/2122-008/TEFR/DWG-07
8	Master Plan of Landside Facilities	VPA-EQ06/PMS/2122-008/TEFR/DWG-08
9	Layout of Backup Area	VPA-EQ06/PMS/2122-008/TEFR/DWG-09
10	Flow Chart of Alternative 1MHC + Trucking for Import and Export	VPA-EQ06/PMS/2122-008/TEFR/DWG-10
11	Flow Chart of Alternative 2 MHC Based Manual Handling for Both Export and Import	VPA-EQ06/PMS/2122-008/TEFR/DWG-11
12	Flow Chart of Alternative 3Fully Mechanized Import and MHC + Trucking for Export Cargo	VPA-EQ06/PMS/2122-008/TEFR/DWG-12
13	Plot Plan for Mechanization Alternative -2	VPA-EQ06/PMS/2122-008/TEFR/DWG-13
14	Flow Chart of Selected Alternative	VPA-EQ06/PMS/2122-008/TEFR/DWG-14
15	Modifications for Custom boundary wall	VPA-EQ06/PMS/2122-008/TEFR/DWG-15
16	Lighting Layout for EQ-06 Berth and Backup Facilities	VPA-EQ06/PMS/2122-008/TEFR/DWG-16
17	Dust supression system layout for Backup Area	VPA-EQ06/PMS/2122-008/TEFR/DWG-17



**Note :**  
1. All dimensions are in meter unless otherwise specified.  
2. This drawing shall be read in conjunction with Drawing no. VPA-EQ06/PMS/2122-008/TEFR/DWG-02 for Layout of EQ6 Berth with Backup Area.

- LEGEND**
- Bridges
  - Buildings
  - Break Water
  - Compound\_walls
  - Cranes
  - Crane\_tracks
  - Culverts
  - Custom\_bound\_area
  - Cables
  - Conveyor\_lines
  - Depot\_stores
  - Drains
  - EMS
  - Evtl\_conveyor\_line
  - Electrical\_installations
  - Fencing
  - Fire\_services
  - Floating\_crafts
  - Gedda
  - Gate
  - Hightension\_lines
  - Hydrants
  - Land\_base\_equipment
  - Locos
  - Misc\_structure\_line
  - PPP\_BOT\_project
  - Proposed\_for\_tenders
  - Pipeline
  - Poles\_towers
  - Port\_limits
  - Roads
  - Railway
  - Railway\_installations
  - Signal\_points
  - Security
  - Storage\_sheds
  - Traction\_poles
  - Green\_belt
  - VPA\_road
  - Village\_boundary
  - Water\_supply\_installation
  - Water\_ways
  - Wharf
  - Zone\_boundary
  - Backup Area

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

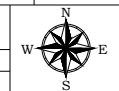
Client  
 **Visakhapatnam Port Authority**

Consultant  
 **Voyants Solutions Private Limited**

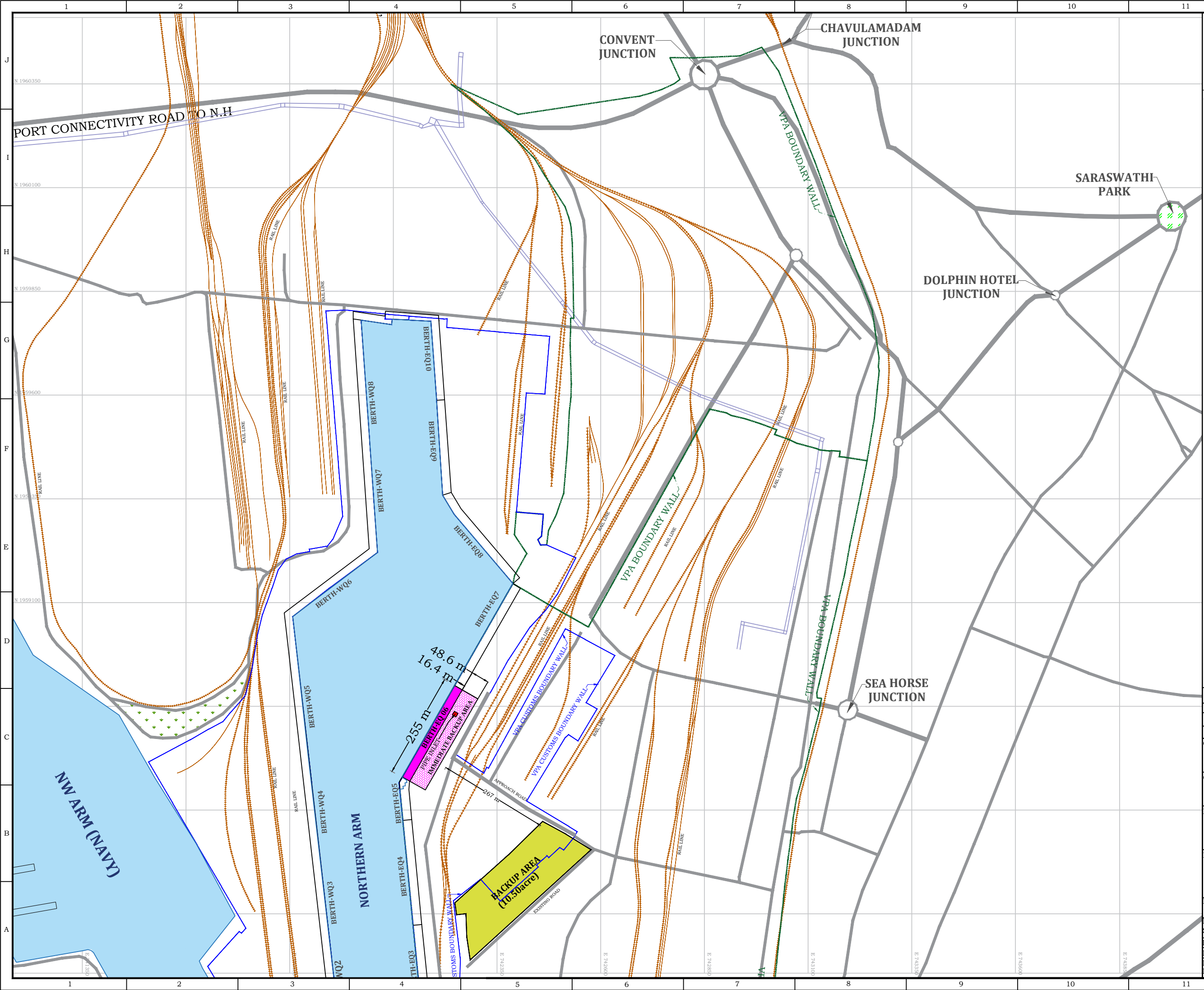
Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**Master Plan - Visakhapatnam Port**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-01</b>	Report No. <b>RP001</b>
Project No. <b>SMPK-GUR/2122-003/PORTS</b>	
Rev.No.:R2	Sheet Size:A3
Date:19-03-22	Scale:1:1850
Drawn by: MKF	Checked by: KPS
	Approved by: JVR







**Note :**  
1. All dimensions are in meter unless otherwise specified.  
2. This drawing shall be read in conjunction with Drawing no.  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-01 for Master Plan - Visakhapatnam Port  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-08 for Master Plan of Landside Facilities

- Legends:**
- Customs boundary wall
  - VPA boundary wall
  - Existing road proposed to be used
  - Railway line
  - EQ-06 Berth
  - Backup Area

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client  
 **Visakhapatnam Port Authority**

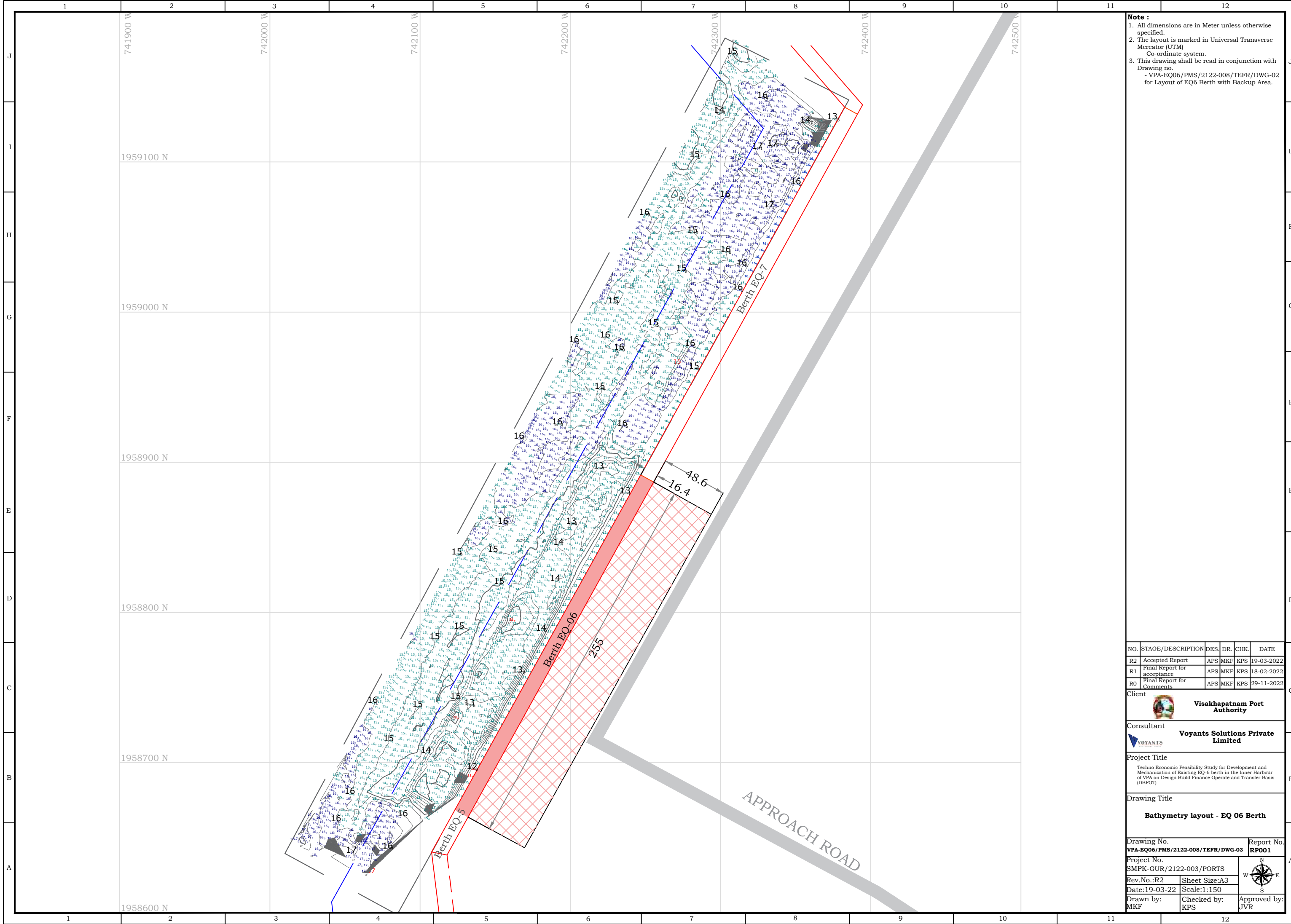
Consultant  
 **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**Layout of EQ 06 Berth with Backup Area**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-02</b>	Report No. <b>RP001</b>
Project No. SMPK-GUR/2122-003/PORTS	Rev.No.:R2
Date:19-03-22	Sheet Size:A3
Scale:1:800	Drawn by: MKF
Checked by: KPS	Approved by: JVR





**Note :**  
1. All dimensions are in Meter unless otherwise specified.  
2. The layout is marked in Universal Transverse Mercator (UTM) Co-ordinate system.  
3. This drawing shall be read in conjunction with Drawing no. - VPA-EQ06/PMS/2122-008/TEFR/DWG-02 for Layout of EQ6 Berth with Backup Area.


NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client  
 **Visakhapatnam Port Authority**

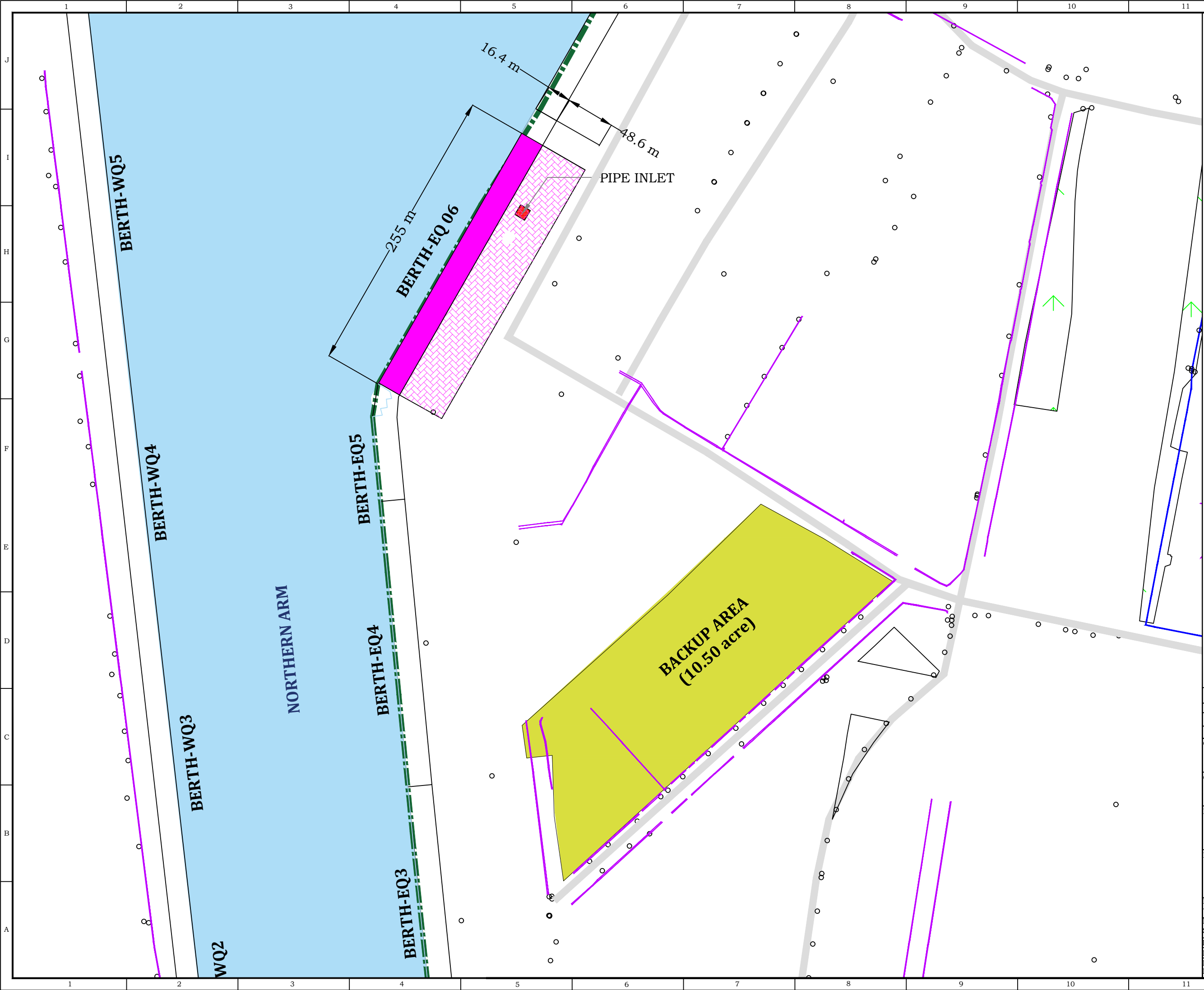
Consultant  
 **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**Bathymetry layout - EQ 06 Berth**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-03</b>		Report No. <b>RP001</b>
Project No. <b>SMPK-GUR/2122-003/PORTS</b>		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:150	
Drawn by: MKF	Checked by: KPS	Approved by: JVR





**Note :**

1. All dimensions are in Meter unless otherwise specified.
2. This drawing shall be read in conjunction with Drawing no. - VPA-EQ06/PMS/2122-008/TEFR/DWG-01 for Master Plan - Visakhapatnam Port

**Legends:**

Customs boundary wall	
VPA boundary wall	
Existing road proposed to be used	
Railway line	
EQ-06 Berth	
Backup Area	

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client

**Visakhapatnam Port Authority**

Consultant

**Voyants Solutions Private Limited**

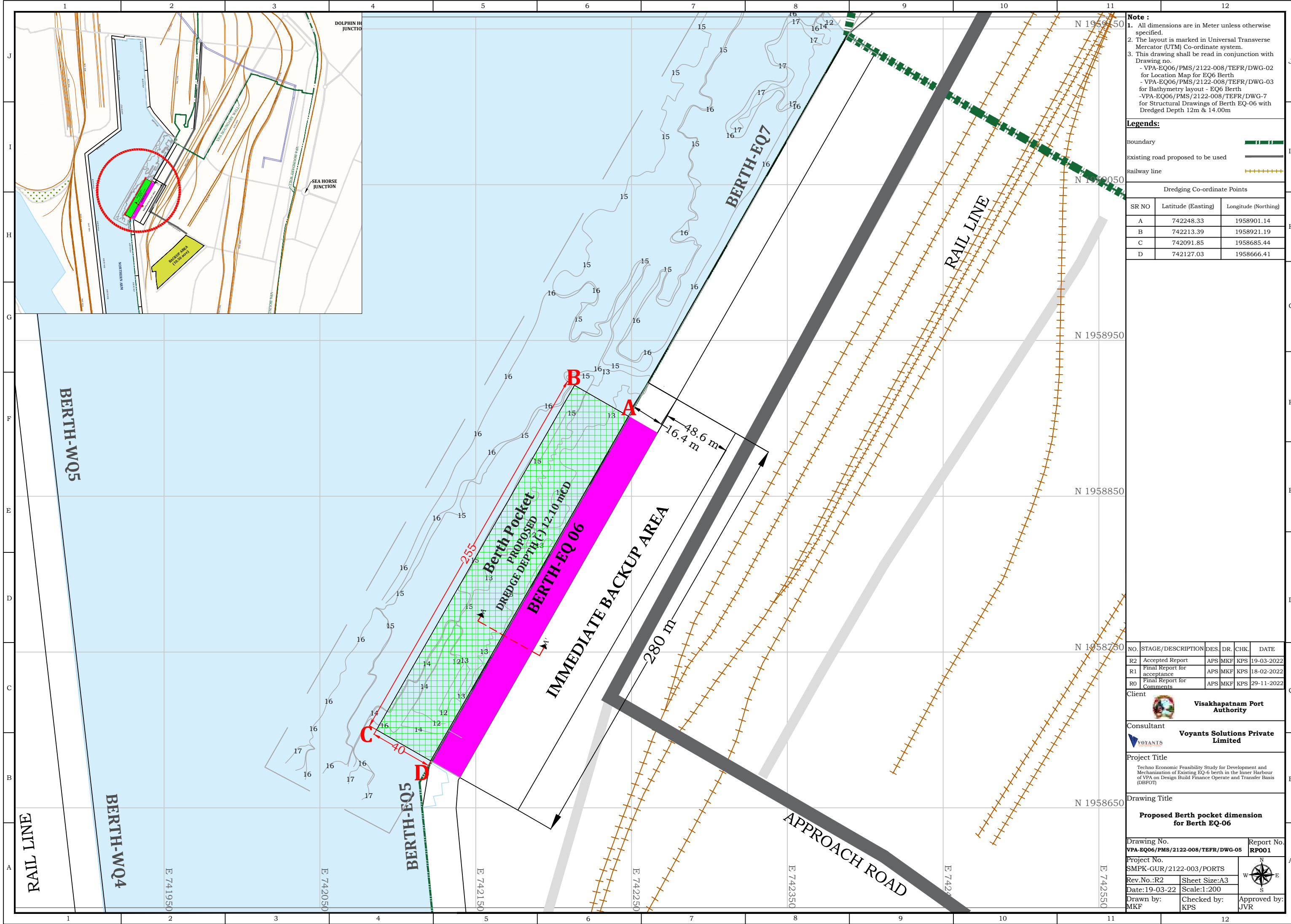
Project Title

Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title

**Utility Drawings nearby EQ-06 Berth and Backup Area**


Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-04</b>		Report No. <b>RP001</b>
Project No. SMPK-GUR/2122-003/PORTS		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:300	
Drawn by: MKF	Checked by: KPS	Approved by: JVR





**Note :**

1. All dimensions are in Meter unless otherwise specified.
2. The layout is marked in Universal Transverse Mercator (UTM) Co-ordinate system.
3. This drawing shall be read in conjunction with Drawing no.
  - VPA-EQ06/PMS/2122-008/TEFR/DWG-02 for Location Map for EQ6 Berth
  - VPA-EQ06/PMS/2122-008/TEFR/DWG-03 for Bathymetry layout - EQ6 Berth
  - VPA-EQ06/PMS/2122-008/TEFR/DWG-7 for Structural Drawings of Berth EQ-06 with Dredged Depth 12m & 14.00m

**Legends:**

Boundary 

Existing road proposed to be used 

Railway line 

Dredging Co-ordinate Points		
SR NO	Latitude (Easting)	Longitude (Northing)
A	742248.33	1958901.14
B	742213.39	1958921.19
C	742091.85	1958685.44
D	742127.03	1958666.41


NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
RO	Final Report for Comments	APS	MKF	KPS	29-11-2022

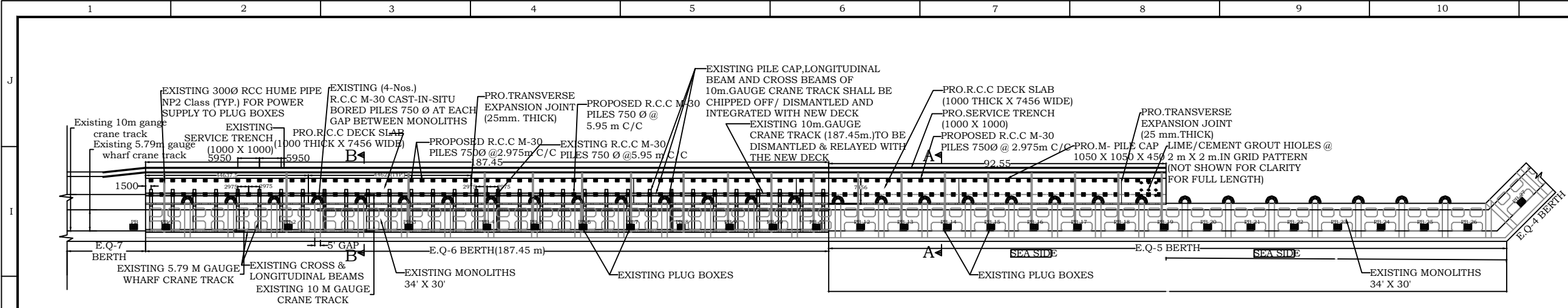
Client  **Visakhapatnam Port Authority**

Consultant  **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFO)

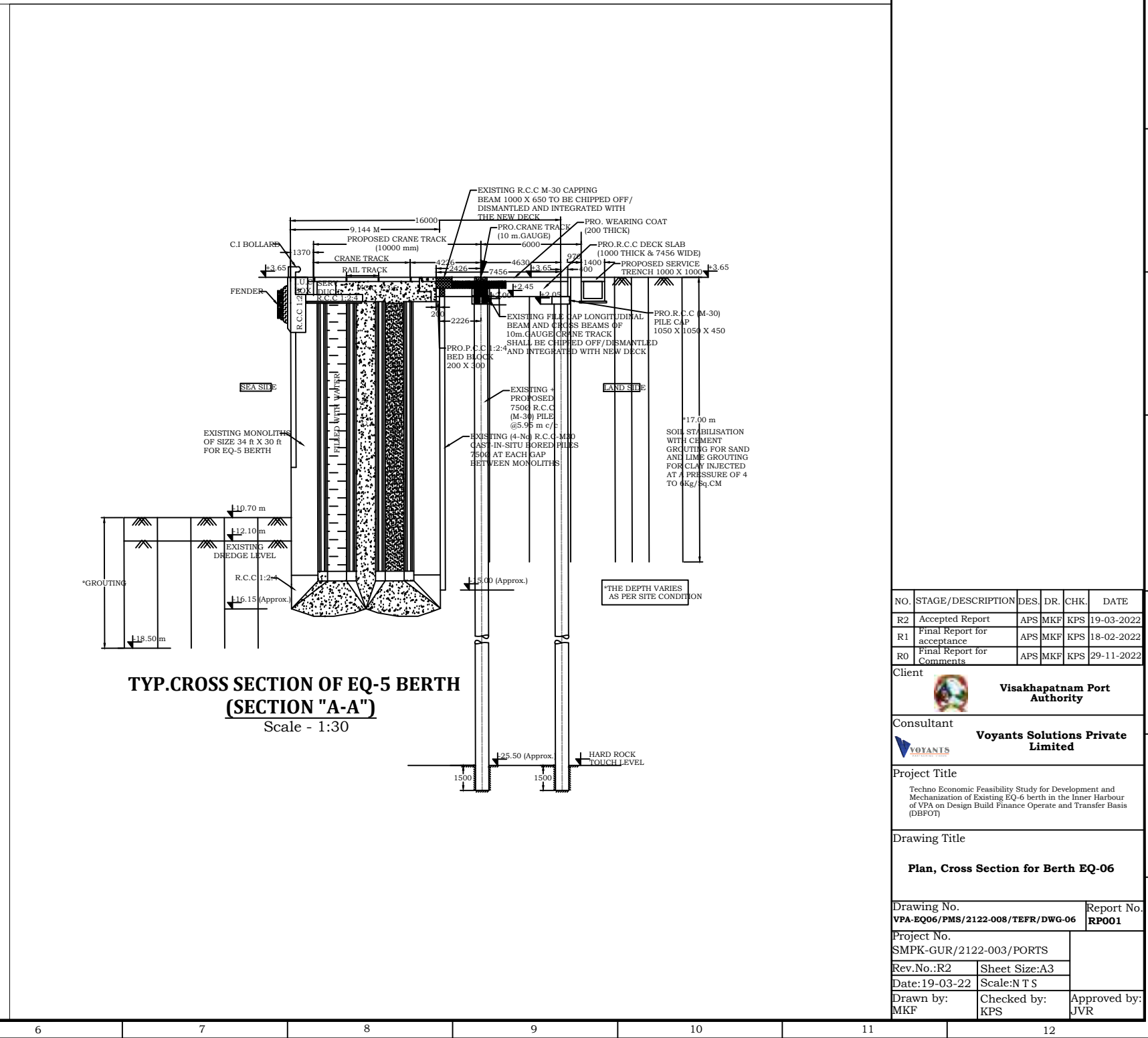
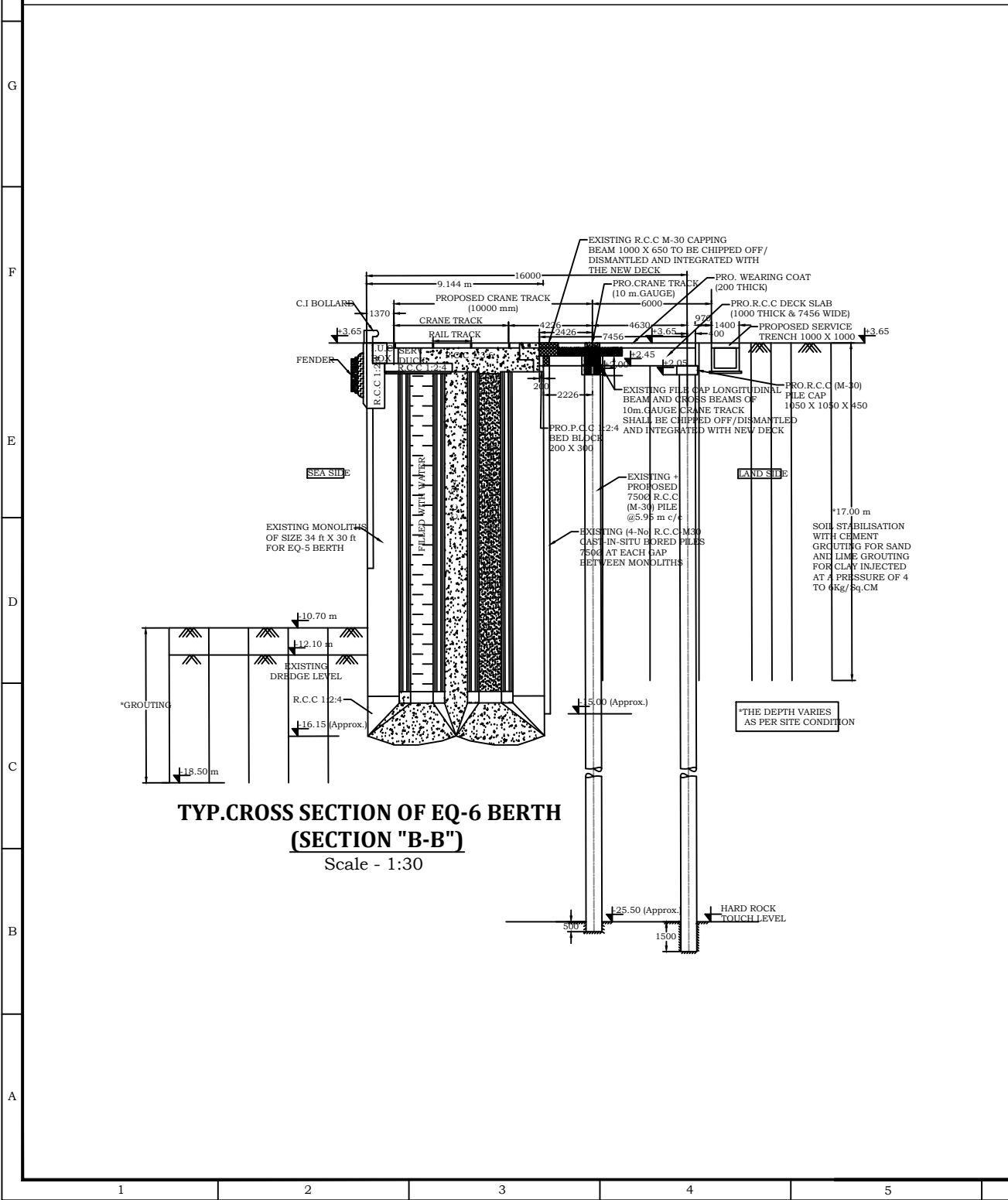
Drawing Title  
**Proposed Berth pocket dimension for Berth EQ-06**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-05</b>		Report No. <b>RP001</b>
Project No. SMPK-GUR/2122-003/PORTS		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:200	
Drawn by: MKF	Checked by: KPS	Approved by: JVR





**PLAN OF EQ-05 & EQ-06 BERTHS**  
Scale - 1:125

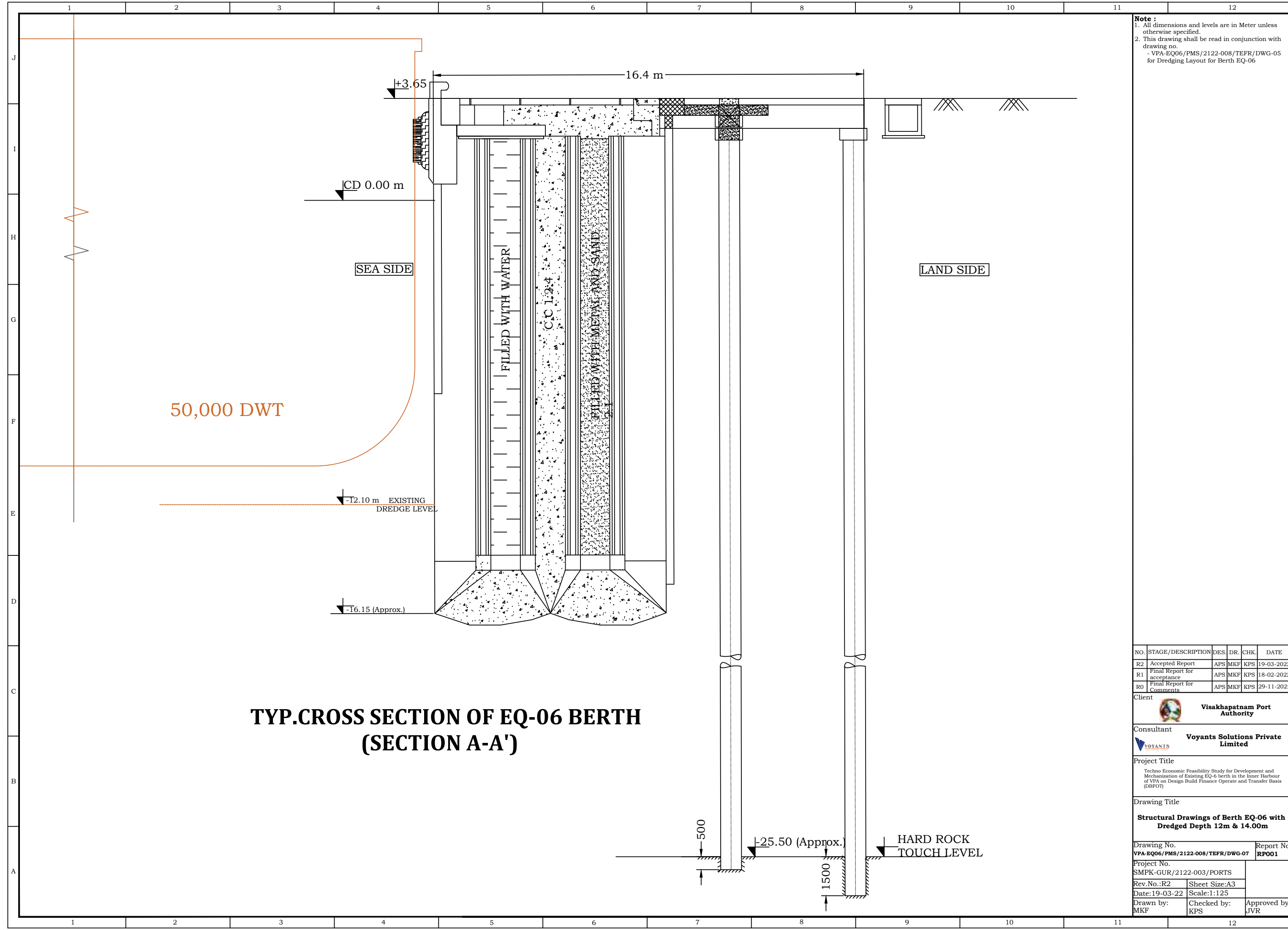
**Note :**  
1. All dimensions and levels are in meters unless other wise specified.  
2. As per data Received for Client.



NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client	 <b>Visakhapatnam Port Authority</b>		
Consultant	 <b>Voyants Solutions Private Limited</b>		
Project Title	Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)		
Drawing Title	<b>Plan, Cross Section for Berth EQ-06</b>		
Drawing No.	VPA-EQ06/PMS/2122-008/TEFR/DWG-06	Report No.	RP001
Project No.	SMPK-GUR/2122-003/PORTS		
Rev.No.:R2	Sheet Size:A3		
Date:19-03-22	Scale:N T S		
Drawn by: MKF	Checked by: KPS	Approved by: JVR	
			12





TYP.CROSS SECTION OF EQ-06 BERTH  
(SECTION A-A')

**Note :**  
1. All dimensions and levels are in Meter unless otherwise specified.  
2. This drawing shall be read in conjunction with drawing no.  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-05 for Dredging Layout for Berth EQ-06

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

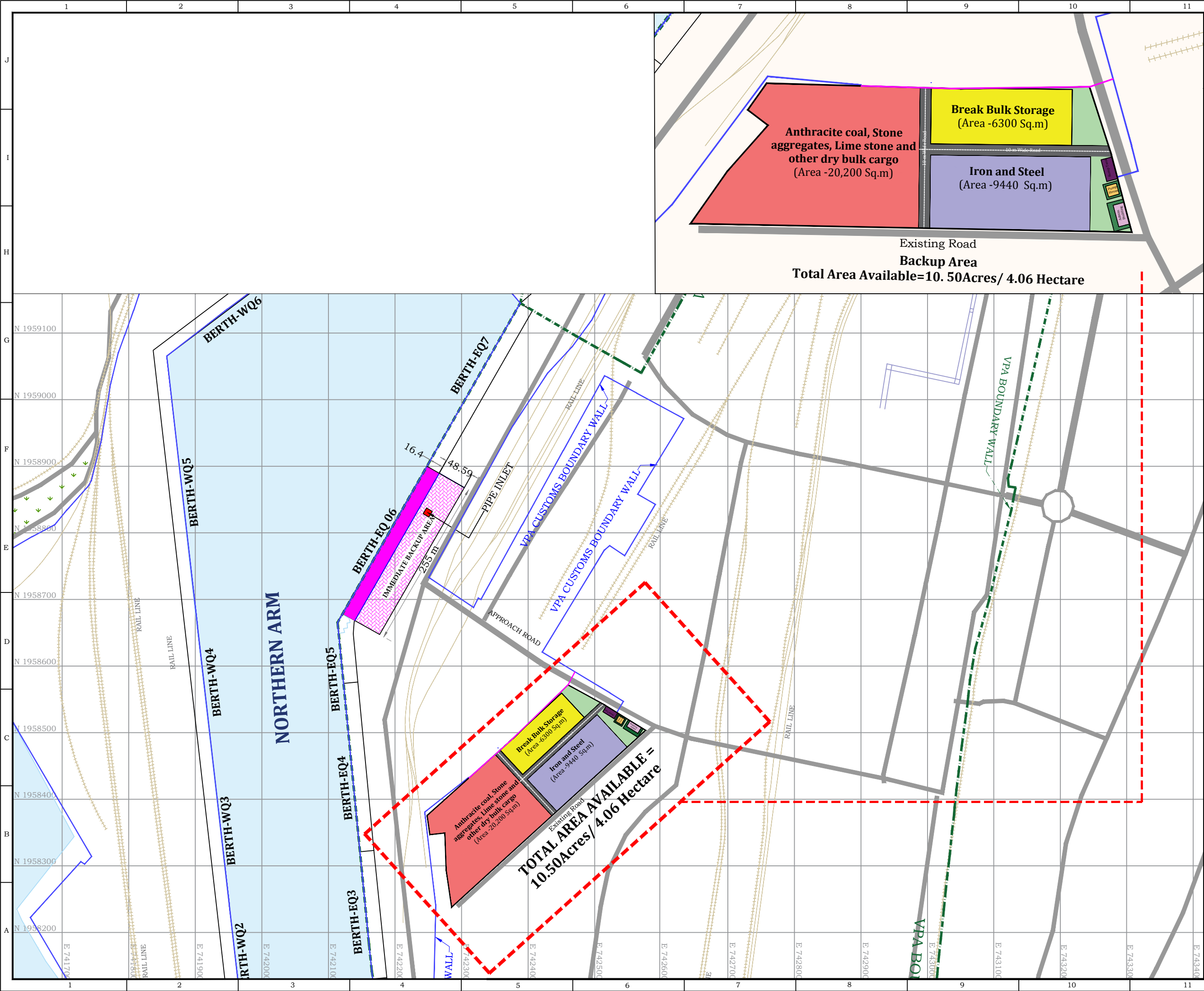
Client  
 **Visakhapatnam Port Authority**

Consultant  
 **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**Structural Drawings of Berth EQ-06 with Dredged Depth 12m & 14.00m**

Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-07		Report No. RP001
Project No. SMPK-GUR/2122-003/PORTS		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:125	
Drawn by: MKF	Checked by: KPS	Approved by: JVR




**Note :**  
1. All dimensions are in meter unless otherwise specified.  
2. This drawing shall be read in conjunction with Drawing no.  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-01 for Master Plan - Visakhapatnam Port  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-09 for Backup Area

- Legends:**
- Customs boundary wall
  - VPA boundary wall
  - Existing road proposed to be used
  - Railway line
  - EQ-06 Berth


NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

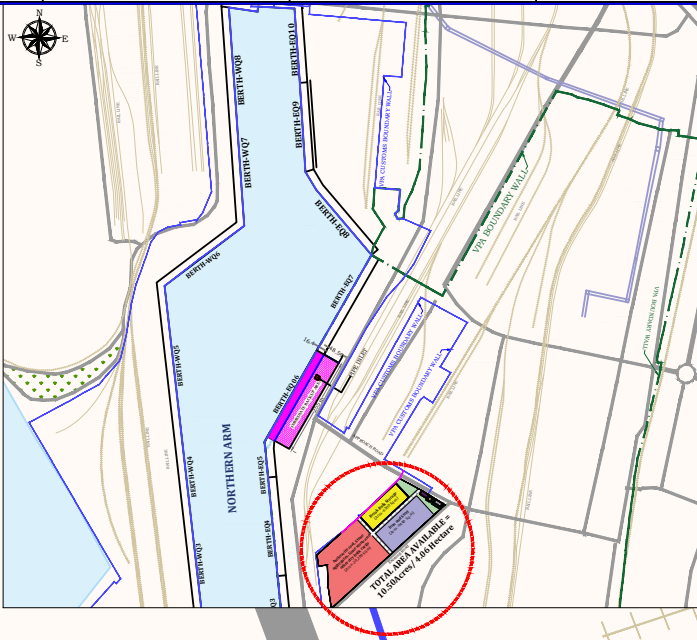
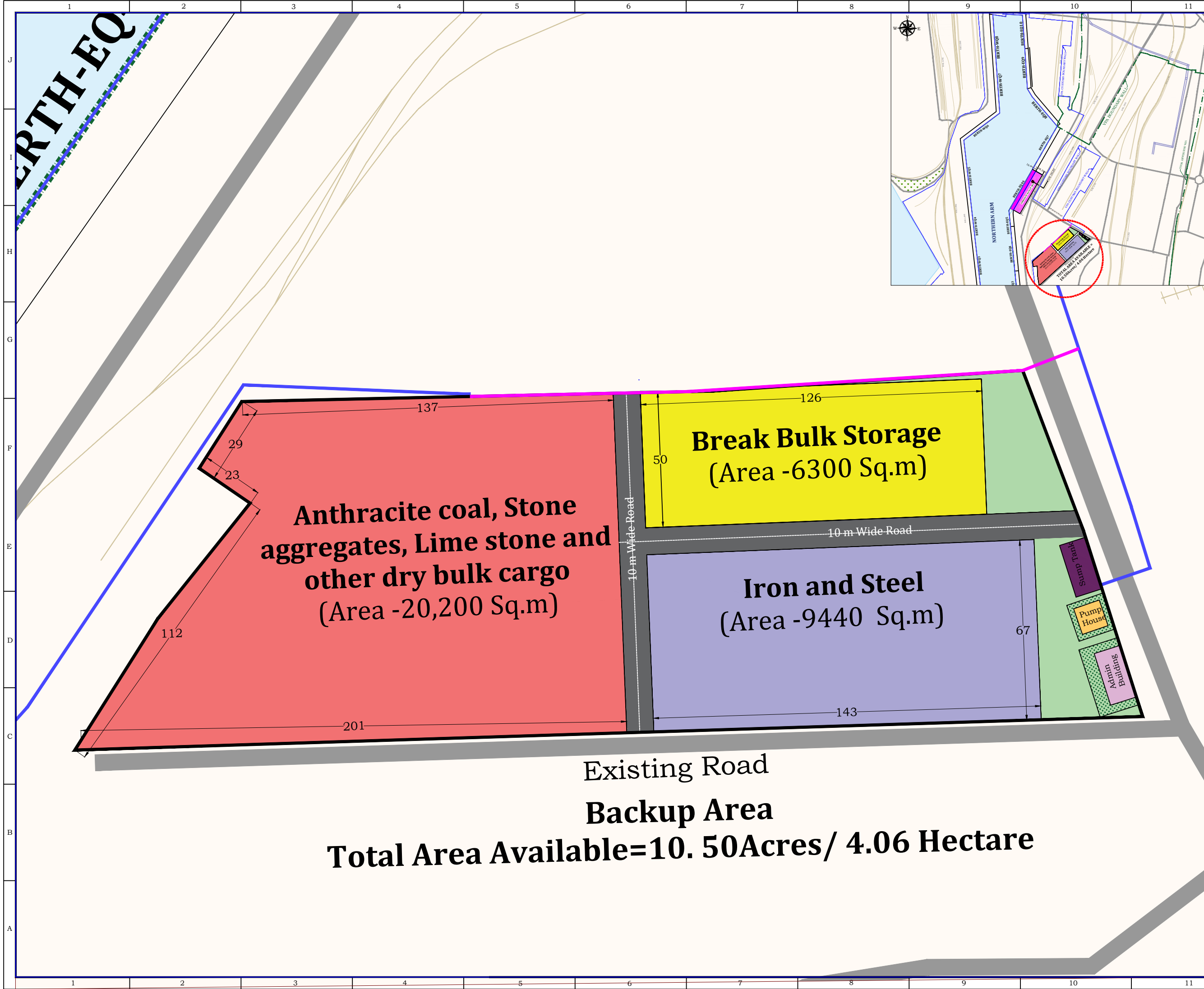
Client  
 **Visakhapatnam Port Authority**

Consultant  
 **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**Master Plan of Landside Facilities**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-08</b>		Report No. <b>RP001</b>
Project No. <b>SMPK-GUR/2122-003/PORTS</b>		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:500	
Drawn by: MKF	Checked by: KPS	Approved by: JVR



**Note :**

- All dimensions are in meter unless otherwise specified.
- This drawing shall be read in conjunction with Drawing no. - VPA-EQ06/PMS/2122-008/TEFR/DWG-08 for Master Plan of Landside Facilities

Area Statement		
Description	Dimension	Area (Sq.m)
Break Bulk Storage	126 x 50	63000
Anthracite coal, Stone aggregates, Lime stone and other dry bulk cargo		23836
Iron and Steel		9440
Admin Building	20 x 10	200
Pump House	10 x 10	100
Sump Tank	20 x 10	200

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client

**Visakhapatnam Port Authority**

Consultant

**Voyants Solutions Private Limited**

Project Title

Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title

**Layout of Backup Area**

Drawing No.

**VPA-EQ06/PMS/2122-008/TEFR/DWG-09**

Report No.

**RP001**

Project No.

**SMPK-GUR/2122-003/PORTS**

Rev.No.:R2

Date:19-03-22

Sheet Size:A3

Scale:1:125

Drawn by:

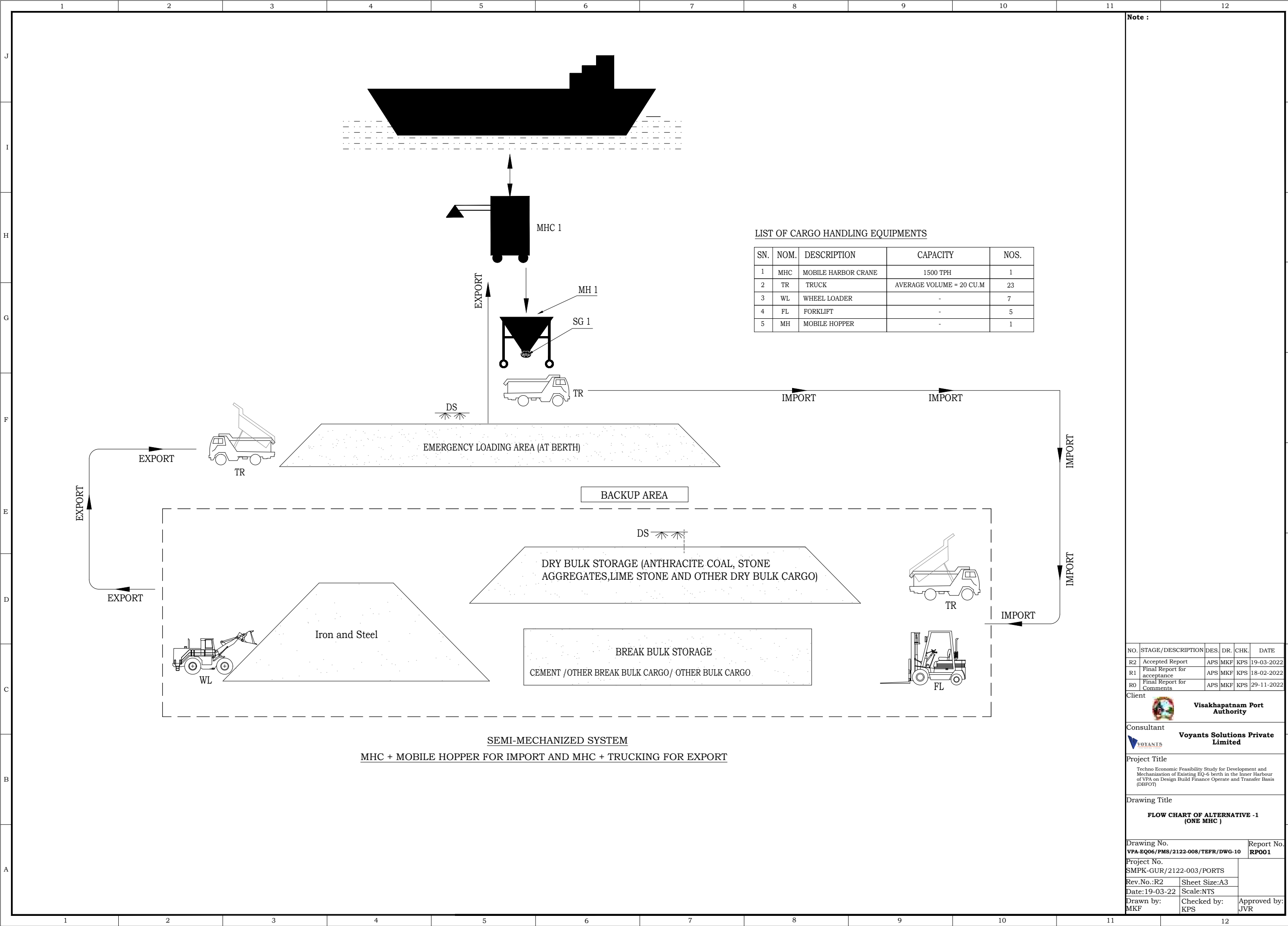
**MKF**

Checked by:



**KPS**

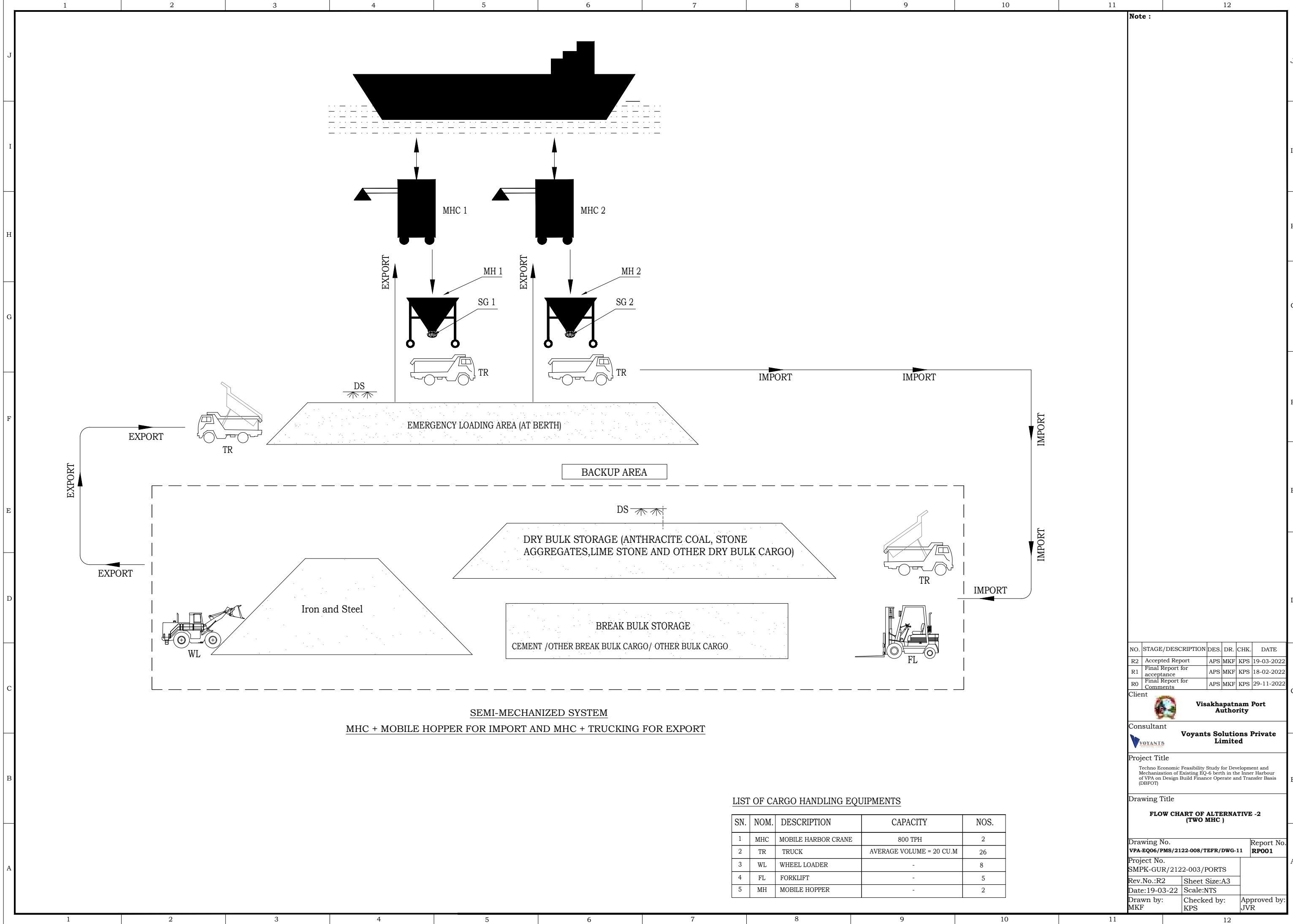
Approved by:

**JVR**



Note :

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022
Client					
 <b>Visakhapatnam Port Authority</b>					
Consultant					
 <b>Voyants Solutions Private Limited</b>					
Project Title					
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)					
Drawing Title					
<b>FLOW CHART OF ALTERNATIVE -1 (ONE MHC )</b>					
Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-10</b>					Report No. <b>RP001</b>
Project No. <b>SMPK-GUR/2122-003/PORTS</b>					
Rev.No.:R2		Sheet Size:A3			
Date:19-03-22		Scale:NTS			
Drawn by: MKF		Checked by: KPS		Approved by: JVR	




LIST OF CARGO HANDLING EQUIPMENTS

SN.	NOM.	DESCRIPTION	CAPACITY	NOS.
1	MHC	MOBILE HARBOR CRANE	800 TPH	2
2	TR	TRUCK	AVERAGE VOLUME = 20 CU.M	26
3	WL	WHEEL LOADER	-	8
4	FL	FORKLIFT	-	5
5	MH	MOBILE HOPPER	-	2

Note :

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client  
 **Visakhapatnam Port Authority**

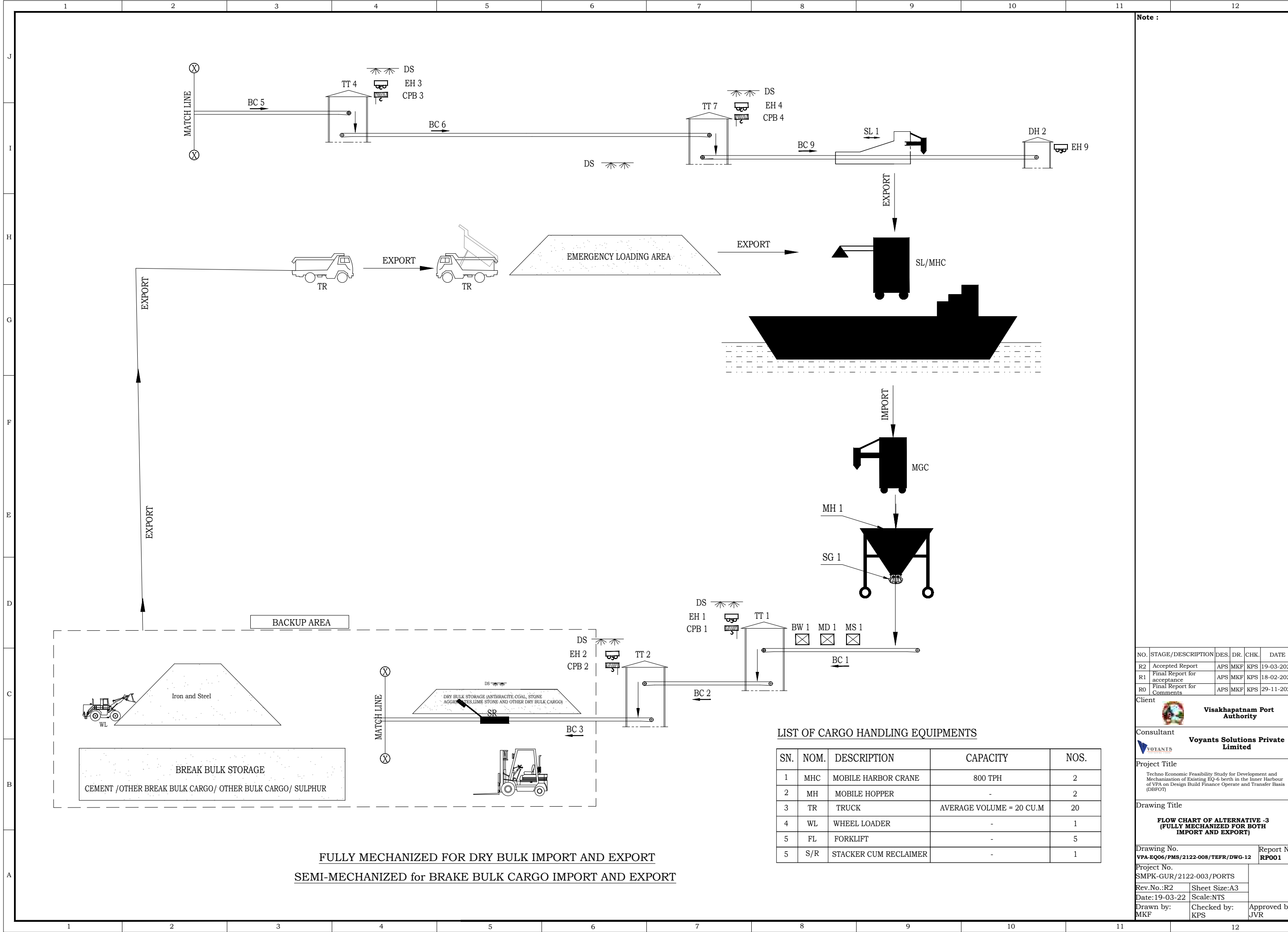
Consultant  
 **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**FLOW CHART OF ALTERNATIVE -2 (TWO MHC )**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-11</b>	Report No. <b>RP001</b>
Project No. <b>SMPK-GUR/2122-003/PORTS</b>	
Rev.No.:R2	Sheet Size:A3
Date:19-03-22	Scale:NTS
Drawn by: MKF	Checked by: KPS
	Approved by: JVR






Note :

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

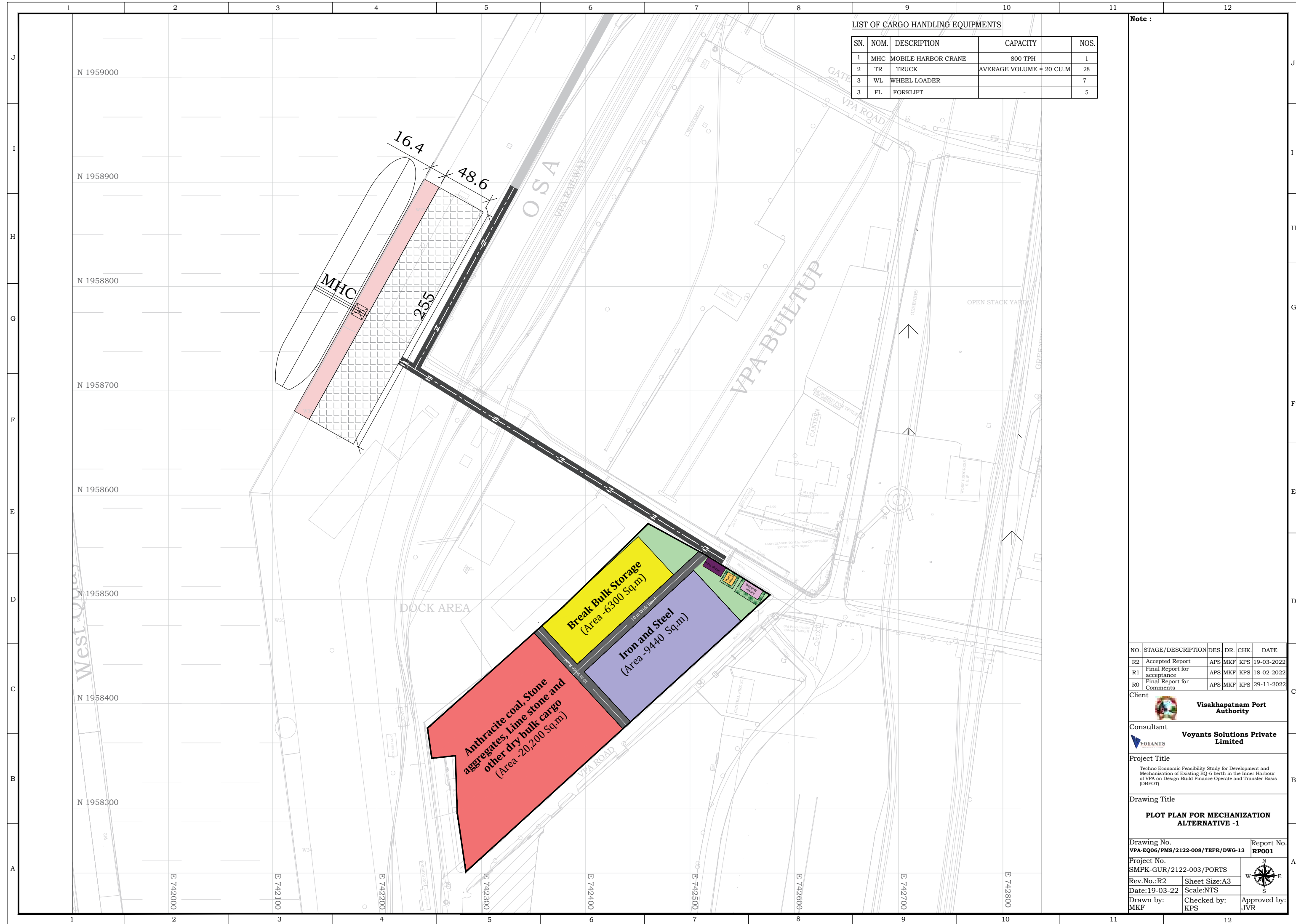
Client  
 **Visakhapatnam Port Authority**

Consultant  
 **Voyants Solutions Private Limited**

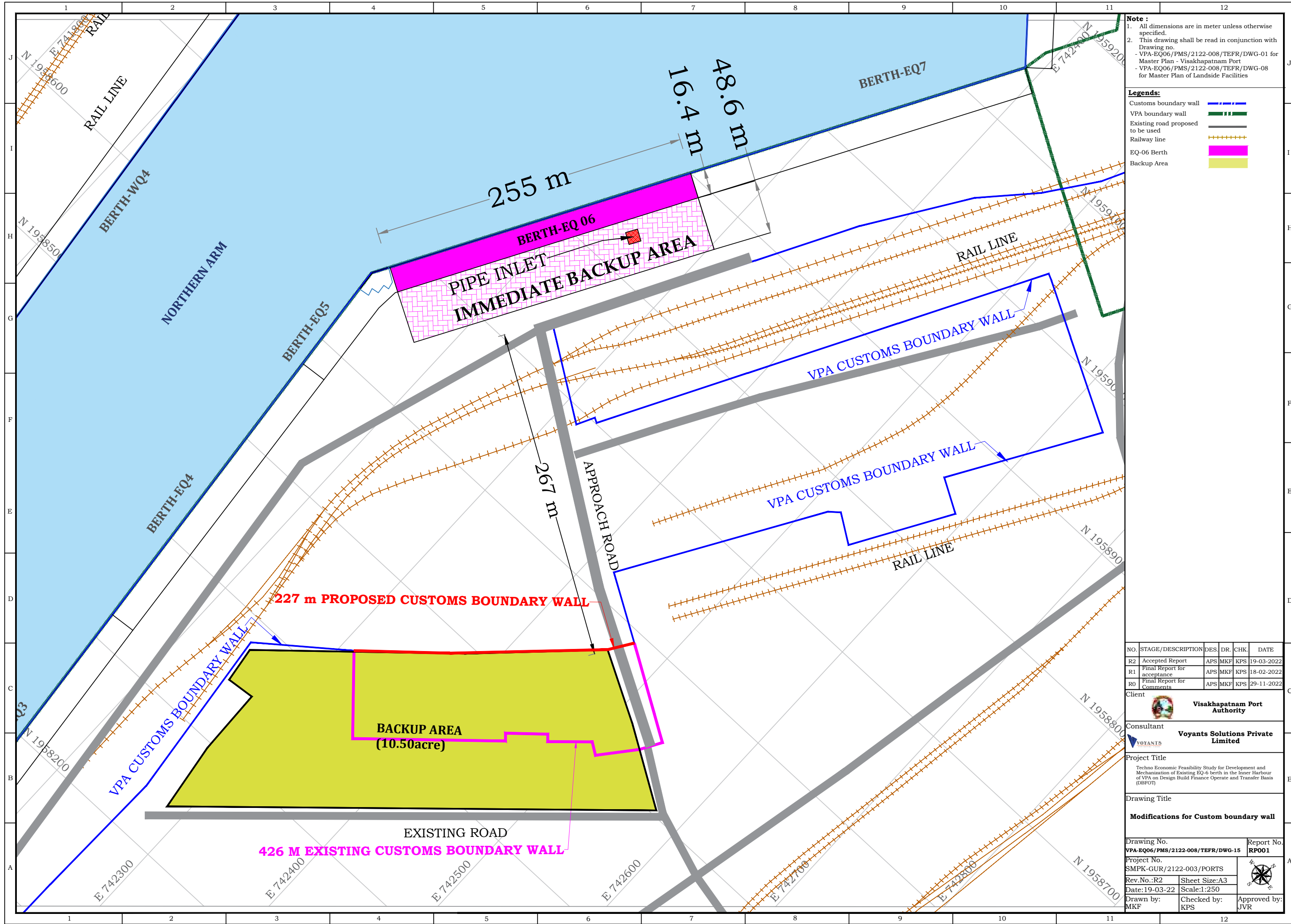
Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**FLOW CHART OF ALTERNATIVE -3 (FULLY MECHANIZED FOR BOTH IMPORT AND EXPORT)**

Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-12	Report No. RP001
Project No. SMPK-GUR/2122-003/PORTS	
Rev.No.:R2	Sheet Size:A3
Date:19-03-22	Scale:NTS
Drawn by: MKF	Checked by: KPS
	Approved by: JVR







**Note :**  
1. All dimensions are in meter unless otherwise specified.  
2. This drawing shall be read in conjunction with Drawing no.  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-01 for Master Plan - Visakhapatnam Port  
- VPA-EQ06/PMS/2122-008/TEFR/DWG-08 for Master Plan of Landside Facilities

Legends:	
Customs boundary wall	
VPA boundary wall	
Existing road proposed to be used	
Railway line	
EQ-06 Berth	
Backup Area	

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client  
 **Visakhapatnam Port Authority**

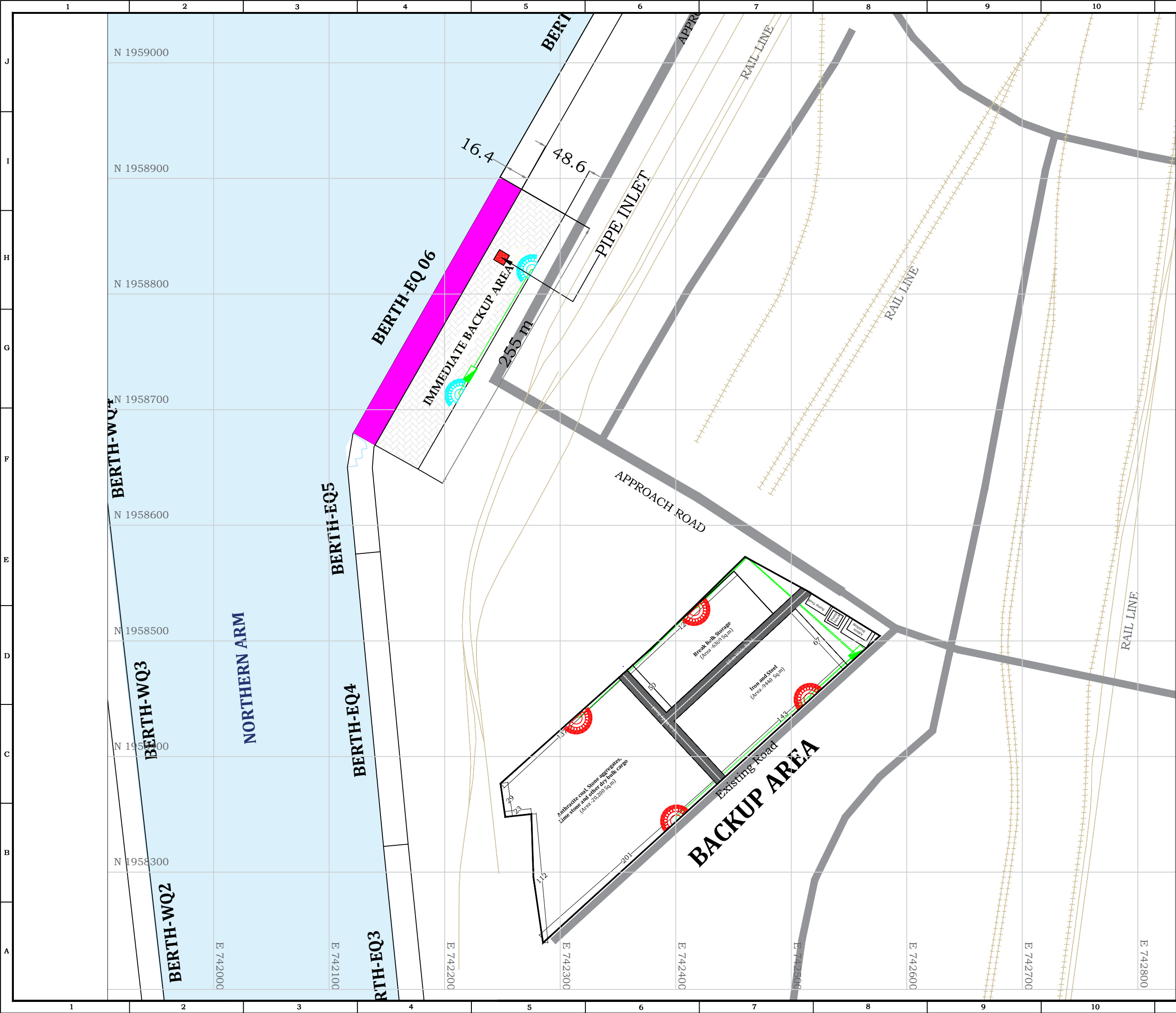
Consultant  
 **Voyants Solutions Private Limited**

Project Title  
Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title  
**Modifications for Custom boundary wall**

Drawing No. <b>VPA-EQ06/PMS/2122-008/TEFR/DWG-15</b>		Report No. <b>RP001</b>
Project No. SMPK-GUR/2122-003/PORTS		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:250	
Drawn by: MKF	Checked by: KPS	Approved by: JVR





**Note :**  
1. All dimensions are in meter unless otherwise specified.  
2. This drawing shall be read in conjunction with Drawing no. - VPA-EQ06/PMS/2122-008/TEFR/DWG-18 for Lighting Layout of Backup Area

Symbol	Description
	Feeder Pillar
	1.1 KV XLPE Al. Ar. LT Cable in hdpe pipe
	12 Nos. 350 Watt led flood light with 30 meter high mast pole, asymmetric type
	10 Nos. 350 Watt led flood light with 30 meter high mast pole, asymmetric type

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client

**Visakhapatnam Port Authority**

Consultant


**Voyants Solutions Private Limited**

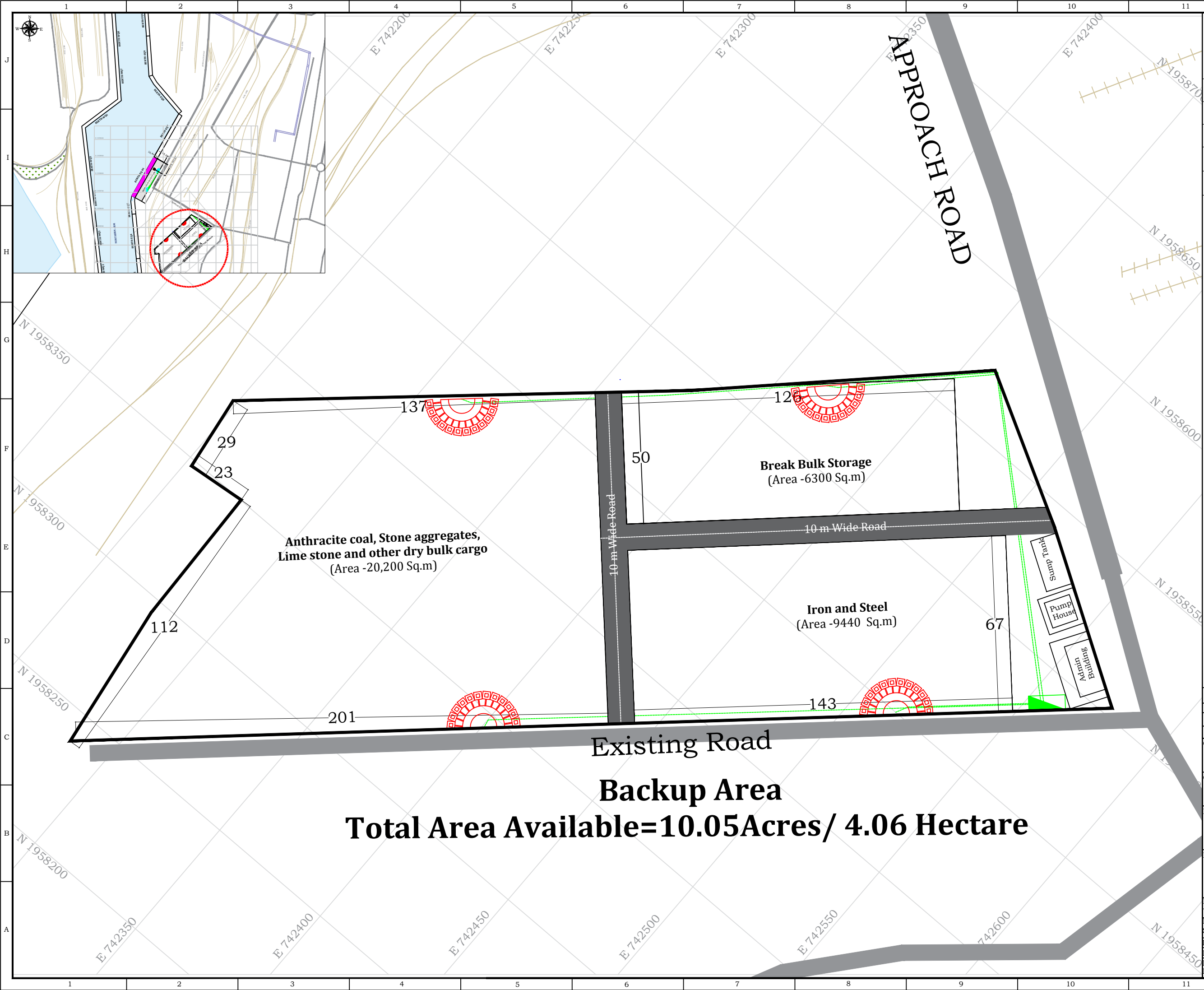
Project Title

Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title

**Lighting Layout for EQ-06 Berth and Backup Facilities**

Drawing No. VPA-EQ06/PMS/2122-008/TEFR/DWG-16		Report No. RP001
Project No. SMPK-GUR/2122-003/PORTS		
Rev.No.:R2	Sheet Size:A3	
Date:19-03-22	Scale:1:300	
Drawn by: MKF	Checked by: KPS	Approved by: JVR
ED Team	GS	CSR S.



Existing Road

Backup Area

Total Area Available=10.05Acres/ 4.06 Hectare

**Note :**

- All dimensions are in meter unless otherwise specified.
- This drawing shall be read in conjunction with Drawing no. -VPA-EQ06/PMS/2122-008/TEFR/DWG-17 for Lighting Layout berth EQ6

Symbol	Description
	Feeder Pillar
	1.1 KV XLPE Al. Ar. LT Cable in hdpe pipe
	12 Nos. 350 Watt led flood light with 30 meter high mast pole, asymmetric type
	10 Nos. 350 Watt led flood light with 30 meter high mast pole, asymmetric type

NO.	STAGE/DESCRIPTION	DES.	DR.	CHK.	DATE
R2	Accepted Report	APS	MKF	KPS	19-03-2022
R1	Final Report for acceptance	APS	MKF	KPS	18-02-2022
R0	Final Report for Comments	APS	MKF	KPS	29-11-2022

Client

**Visakhapatnam Port Authority**

Consultant

**Voyants Solutions Private Limited**

Project Title

Techno Economic Feasibility Study for Development and Mechanization of Existing EQ-6 berth in the Inner Harbour of VPA on Design Build Finance Operate and Transfer Basis (DBFOT)

Drawing Title

**Lighting Layout of Backup Area**

Drawing No.

**VPA-EQ06/PMS/2122-008/TEFR/DWG-17**

Report No.

**RP001**

Project No.

**SMPK-GUR/2122-003/PORTS**

Rev.No.:R2

Sheet Size:A3

Date:19-03-22

Scale:NTS

Drawn by:

**MKF**

Checked by:

**KPS**

Approved by:

**JVR**

ED Team

GS

CSR S.



## **Annexures**



## **Annexure 6.1**



## Annexure- 6.1

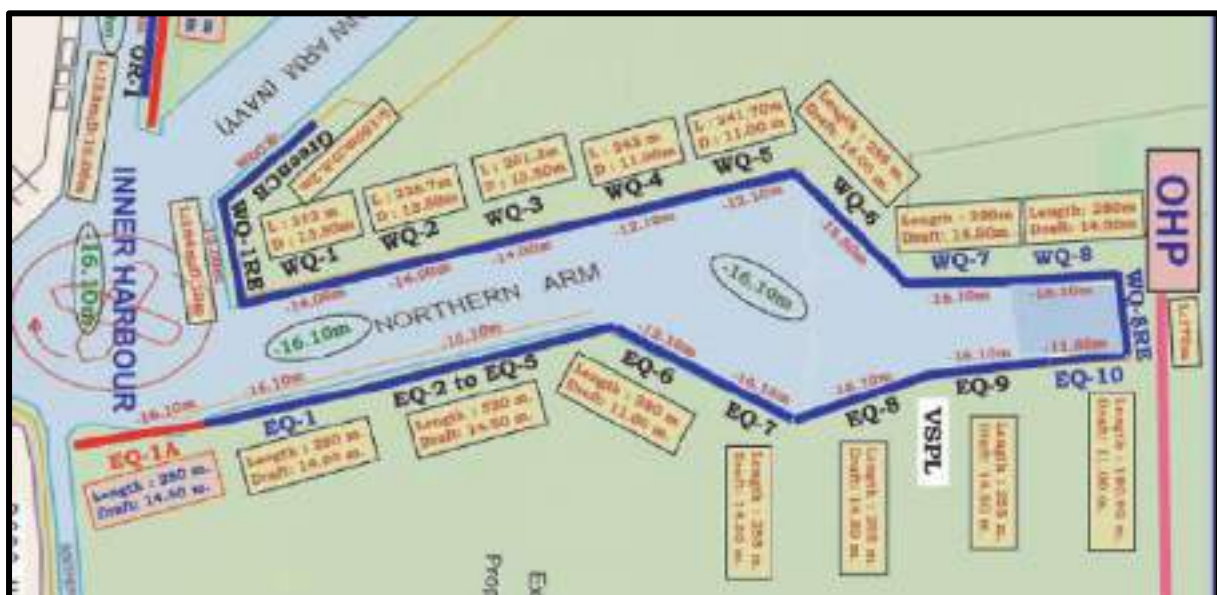
### Structural Adequacy Check

#### 1.1 Introduction

The section provides details of structural adequacy check carried out for Berth-Eq06.

Berth EQ-06 was originally constructed in year 1966 and went through structural upgradation during year 1998 and 2012. As the frontside monolithic structure was built in the year 1966, it can be said that the berth has outlived its design life.

Further, due to upgradation of Berth EQ-02 to 05, both the adjacent berths of EQ-06 have been upgraded to dredged depth of -16.10m CD catering vessels with draft of 14.50m. Whereas, EQ-06 berth has a design dredged depth of -13.5 m CD to handle the vessels of draft 12.0 m.



**Figure 0.1 : Extract from VPA Masterplan Layout**

#### 1.2 Objective

The objective of the structural adequacy check is to evaluate the technical feasibility of the berth under following considerations:

- Under existing condition i.e. vessel draft of 11m and existing dredge depth of -13.5m to cater for a vessel size of 50,000 DWT
- Increasing dredged depth up to -15.10m thus allowing vessel sizes up to 75,000 DWT



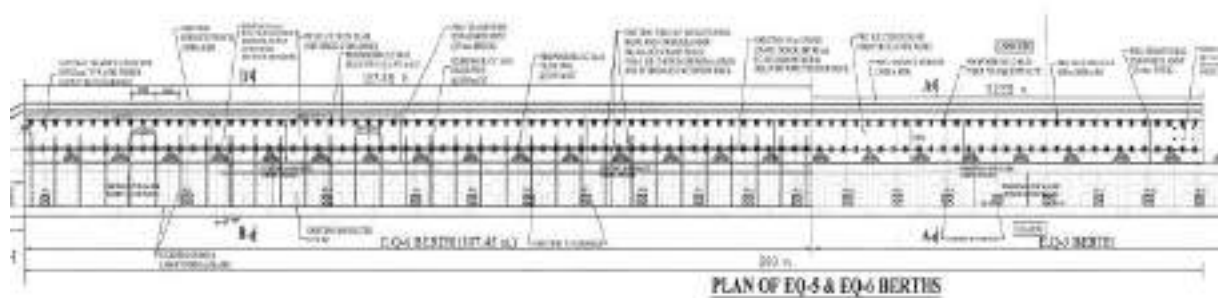
The technical assessment will help in understanding the capacity of the existing berth and is it possible to increase the draft availability without attracting substantial capital investment.

#### **1.2.1.1 Structural Adequacy Checks**

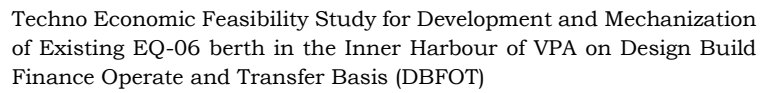
Consultant reviewed all the primary data available for the assessment of structural conditions at EQ-6 Berth. The length and width of EQ-6 Berth is about 280m and 16.4m respectively. The following assessment is prepared based on drawing (DRG.No:VPT/45/2010), M/s Howe India Pvt. Ltd (HIPL) (1998), Preliminary study to examine the possibility of upgradation of the 15 T electrically operated wharf crane, M/s IIT-Madras Report (2012) (“Modified Report on Strengthening of East Quay Berth EQ-5 and EQ-6 for the movement of 100T Mobile Harbour Crane”) and VPA port trust Letter No. CE/EE(PPP)/EQ-06/TEFR/2021/114 dated 05/03/2021.

With an objective to handle 100T capacity MHC, the width of EQ-06 berth and part of EQ-5 berth was widened for an additional width of 7.256m with pile deck structure having two rows of piles of 750mm dia, to a total width of 16.4m in the year 2012. Therefore, the available over all quay length and width is 280m X 16.4m.

Plan and cross section of the berth is presented in Figure 0.2



**Figure 0.2 : EQ-06 Berth Plan View**





**Table 0.1 : Structural details of EQ-06 berth**

Sl. No	Description	Total Nos.	Type	Length (m)	Width (m)	Depth (m)	Spacing (m)	Top Level of the particular (m)	Bottom level/ Foundation Level (m)	Remarks
Part A – Monolith Structure										
1.	Berth Length and Width		RCC Monolith gravity structure	280	9.144	19.8	-	+3.65	-16.15 (Approx.)	3 Crane rails available in the deck.
a)	Each Panel (Monolith Structure)			10.363	9.144	19.8				
b)	Front Pocket		-	-	-	-	-	-	-	Pocket dimensions not available in the VPA drawing and documents.
c)	Front Pocket Fill Details	Filled With Water and bottom plug PCC								
d)	Rear Pocket		-	-	-	-	-	-	-	
e)	Rear Pocket Fill Details	Filled With Metal & Sand, Bottom plug PCC								
2.	Deck Slab		PCC	280	9.144	1.3	-	+3.65	-	
3.	Longitudinal Beam		RCC	-	-	-	-	-	-	
4.	Cross Beam		RCC	-	-	-	-	-	-	
5.	Fender Block		RCC	-	-	-	-	-	-	
6.	Service Duct		-	-	-	-	-	-	-	
Part B – Deck on Pile Structures										
7.	Berth Length and Width		RCC	280	7.456	-	-	+3.65	-25.5 (Approx.)	
8.	750 mm Dia Front Row Pile	94	RCC	-	-	27.55 (Approx.)	2.975	+2.05	-25.5 (Approx.)	
9.	750 mm Dia Rear Row Pile	94	RCC	-	-	27.55 (Approx.)	2.975	+2.05	-25.5 (Approx.)	
10.	750 mm Dia Additional Pile	4	RCC	-	-	17.45 (Approx.)	2.975	+ 2.45	-15.00 (Approx.)	
11.	Pile Cap	188	RCC	1.050	1.05	0.450	-	+ 2.45	+ 2.05	
12.	Deck Slab	1	RCC	280	7.456	1.0	-	+ 3.45	+2.45	One crane rail available in the deck.
13.	Capping Beam	1	RCC	280	1.00	0.650	-	+3.65	+3.00	To be chipped off/ dismantled and integrated with the deck
14.	Wearing Coat	-	-	280	7.456	0.2	-	+3.65	+3.45	



Sl. No	Description	Total Nos.	Type	Length (m)	Width (m)	Depth (m)	Spacing (m)	Top Level of the particular (m)	Bottom level/ Foundation Level (m)	Remarks
15.	Service Trench	1	RCC	280	1.0	1.0		+3.65	+2.65	
Berth Furnitures										
16.	Fenders	-	M-Type Rubber Fender	-	-	-	-	-	-	Numbers of fender detail not available.
17.	Bollards	-	100T - Bollards	-	-	-	-	-	-	Numbers of bollards detail not available.
18.	Ladders	-	-	-	-	-	-	-	-	Not available
19.	Mooring Rings	-	-	-	-	-	-	-	-	Not available
20.	Expansion Joint-A	6	-	7.456	0.025	-	44.6	-	-	Transvers Expansion joint -Deck on pile
21.	Expansion Joint-B	1	-	280	0.025	-	-	-	-	Longitudinal Expansion joint
22.	Existing Plug Box	19	-	-	-	-	-	-	-	
23.	300mm Dia Hume Pipe	19	RCC	-	-	-	-	-	-	

General Note: -

1. Existing dredge depth at the berth is (-)13.5 m CD
2. Grade of concrete used
  - a. For Pile = M30
  - b. For Beam = M30
  - c. For Slab = M30





### 1.3 Stability Check for EQ-6 Berth

The EQ-06 Berth is partially monolith structure and partially piled deck structure. Monolith structures are designed for heavy lateral loads in addition to the vertical loads, which are caused due to the earth pressure, hydrostatic pressure, and the mooring forces. Overturning, sliding, and bearing pressure are required to be satisfied to ensure the stability of the structure.

The different super structure elements viz. Facia beams, slabs which are placed above the monolith substructure transfer the loads and moments to its adjacent element below it and finally all loads and moments come to the monolith structure, which in turn, transfers them to the underlying soil or rock. Thus, the monolith structure effectively supports the superstructure. However, all types of soil get compressed significantly and cause the structure to settle. Accordingly, the major requirements of the stability check of monolith structures are followed as per IS: 9527.

#### 1.3.1 Design Basis

##### a) Existing components of ports

The EQ-06 berth is partially monolith and partially deck on pile type structure with an original design dredge level of (-) 9.15m CD and deepened upto (-) 13.5m CD in course of time to cater vessels of length 204m and beam 32m and draft of 12.0m.

##### b) The EQ-06 berth monolith structure details are given below

Structure Details;

Each panel length	=	10.363	m
Each panel width	=	09.144	m
Depth of the structure	=	19.800	m
Sand filling (length X width)	=	2.5 X 2.0	m

(Length & width are assumed based on the DRG. No: VPT/45/2010)

Water filling (length X width)	=	2.5 X 2.0	m
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(length & width are assumed based on the DRG. No: VPT/45/2010)

**c) Tidal Data**

Highest high water (HHW)	=	+	2.38	m
Mean high water Spring (MHWS)	=	+	1.49	m
Mean high water (MHW)	=	+	5.01	m
Mean high water neaps (MHWN)	=	+	1.07	m
Mean sea level (MSL)	=	+	0.79	m
Mean low water neaps (MLWN)	=	+	0.52	m
Mean low water spring (MLWS)	=	+	0.09	m
Chart datum (CD)	=		0.00	m
Lowest low water level (LLW)	=	-	0.55	m

**d) Geo-Technical Data**

The geotechnical investigations were carried out by M/s DBM Geotechnics and Construction Pvt.Ltd. Mumbai at various locations in the project site. The Borehole location and borehole data considered in the design are given in Appendix – I. BH-07, BH-08, BH-09 is considered as typical borehole for the analysis and design.

**e) Design Loads**

The following loads are considered to be acting on the structure. The structure is analysed for all possible cases i.e., gravity loads (dead and live loads), mooring force, earth pressure (active and passive earth pressure) and hydrostatic loads.

**f) Material Density**

Density of plain concrete	=	24	kN/m <sup>3</sup>
Density of sand fill	=	18	kN/m <sup>3</sup>
Density of water	=	10	kN/m <sup>3</sup>





**g) The main considerations followed for the structural design**

- i. Structural safety and stability.
- ii. The minimum design life of the facility is 50 years, the design life criterion is based on maintenance system and frequency of inspection & repair works for: 05 years.
- iii. Durability

**h) Design Codes and Standards;**

The following Indian Standard codes are used for the design of structures

- IS 4651 (Part 4) 1989 : Code of Practice for Planning and Design of Ports and Harbours
- IS 9527-1 (1981): Code of Practice for Design and Construction of Port and Harbour Structures, Part 1. Concrete monoliths [CED 47: Ports and Harbours]
- IS 456 – 2000 : Design of Plain and reinforced Concrete

**1.3.2 Analysis**

The EQ-06 Berth is partially monolith structure and partially deck on pile structure. The monolith and deck on pile structures are not integrated structure. The deck on pile structures was originally designed for 100 Ton Mobile Harbour Crane (MHC/ LHM500) access. The recommended MHC based on the traffic study is LHM-280 or equivalent, which has lower loading conditions compared to LHM-500, further stability check is not required for deck on pile structure.

The monolith structure is invariably designed for heavy lateral loads in addition to the vertical loads, which are caused due to the earth pressure, hydrostatic pressure, and the mooring forces. Overturning, sliding, and bearing pressures are required to be satisfied to ensure the stability of the structure.

EQ-06 berth structural stability analysis is carried out for the following cases:

1. The structural stability checks for three different cases with respect to non-operational conditions and considered sea bed level of -13.5m & -15.15m CD.



2. The structural stability checks for two different cases with respect to operational conditions and considered sea bed level of -13.5m, & -15.15m from CD.

### 1.3.3 Results

The structure stability check results are furnished in the **Table 5.3 to Table 5.5** below.

#### a) Check for Sliding Results

**Table 0.2 : Check For Sliding – EQ 06 Berth**

Description	Total Force		Friction Coefficient b/w Concrete & Soil $\mu$		Factor of safety against sliding		Remarks
	Vertical (kN)	Horizontal (kN)	Actual	Allowable	Actual	Allowable	
Non-Operational							
Sea bed level (-) 13.50 m from CD	3998	686	0.172	<0.300	1.75	>1.5	Hence Safe
Sea bed level (-) 15.15 m from CD	3998	792	0.198	< 0.300	1.51	> 1.5	Hence Safe
Operational							
Sea bed level (-) 13.50 m from CD. With 12m draft	4318	75	0.017	< 0.300	17.27	> 1.5	Hence Safe
Sea bed level (-) 15.15 m from CD with 12m draft	4318	181	0.042	< 0.300	7.16	> 1.5	Hence Safe

#### b) Check for Overturning

**Table 0.3 : Check For Overturning – EQ 06 Berth**

Description	MOMENT		Factor of Safety		Remarks
	TRM (kN.m)	TOM (kN.m)	Actual	Allowable	
Non-Operational					
Sea bed level (-) 13.50 m from CD.	18388.39	5384	3.415	> 2	Hence Safe



Sea bed level (-) 15.15 m from CD.	18284.76	5384	3.396	> 2	Hence Safe
<b>Operational</b>					
Sea bed level (-) 13.50 m from CD with 12m draft	28576	12245	2.334	> 2	Hence Safe
Sea bed level (-) 15.15 m from CD with 12m draft	28473	12245	2.325	> 2	Hence Safe

Where, TRM - Total Restoring Moment; TOM - Total Overturning Moment

### c) Check for Bearing Pressure

**Table 0.4 : Check For Bearing Pressure – EQ 06 Berth**

Descriptions	Bearing Pressure		Factor of Safety	Remarks
	SBC (kN.m)	P (kN.m)		
Non-Operational				
Sea bed level (-) 13.50m from CD.	10670	824	2.5	Hence Safe
Sea bed level (-) 15.15m from CD.	10053	824	2.5	Hence Safe
Operational				
Sea bed level (-) 13.50 m from CD with draft 12m	10670	1316	2.5	Hence Safe
Sea bed level (-) 15.15 m from CD with draft 12m	10053	1316	2.5	Hence Safe

### 1.3.4 Conclusion

Based on the structural adequacy check under various scenarios as explained above, the berth is found to be safe to operate up to -15.15 m level. However, considering the scouring issues and exposure concrete base, it is recommended to limit the depth at the berth to -14.0 m only.



Furthermore, it is worth noting that the berth is in operation since Year 1966 and it has outlived its design life as per the design standards of practice. Hence, it is recommended that periodical structural audits/health checks including under water inspections are required to be carried out (say every 2 years) as a preventive measure towards operations and maintenance of the berth.

## **Annexure 6.2**

**Annexure 6.2:****MECHANICAL SYSTEM DESIGN**

Sl. No	Description	Unit	Quantity
1	No of working Hrs	Hrs	20
2	No MHCS	Nos	1
3	Rated Capacity	TPH	1500
4	Efficiency factor		0.7
5	Average output	TPH	1050
6	Time per cycle	sec	102
7	No of cycle per hour	Nos	35
8	Average output per grab	T	30
9	Total output	TPH	1050
10	No of grabs of hold in hopper		5
11	No of Hoopers	Nos	1
12	Capacity of hopper	T	150
13	Tipper Capacity	cum	20
14	Lowest density	T/cum	0.9
15	No of Discharge per hopper per hour	Nos	58
16	Time required per trip of tipper	min	20
17	No. of trips per hour per tipper	Nos	3
18	Net No. of Tippers required	Nos	20
19	Gross No. of Tippers required (1.15* Net)	Nos	23
20	Bucket capacity of Wheel loader	cum	2
21	Time required for one cycle of wheel loader	sec	36
22	No operations per hour	Nos	100
23	Output per wheel loader per hour	cum	200
24	No of wheel loaders required	Nos	6
25	Wheel Loader at berth	Nos	1
26	Lift capacity of Fork lift	T	5
27	Average Lift capacity of Fork lift	T	3
28	Time required for one cycle of operations	min	5
29	No operations per hour	Nos	12
30	Output per fork lift per hour	T	60
31	No of fork lifts required	Nos	4.9
	say	Nos	5

<b>Summary</b>			
1	MHC (1500 TPH)	Nos	1
2	Mobile hoppers (150T)	Nos	1
3	Tipper Trucks (20 cum) [Rental Equipment]	Nos	23
4	Wheel Loaders (2 cum bucket)	Nos	7
5	Fork Lifts (5T)	Nos	5

## **Annexure 9.1**



[illegible]

**Annexure 10.1 (TAMP)**

TAMP	Capital Cost (INR Crore)	Dry Bulk Import	Dry Bulk Export	Break Bulk Import	Break Bulk Export	Commodity 5	Commodity 6	Total
Foreign Going		100%	100%	100%	100%	0%	0%	
Coastal		0%	0%	0%	0%	0%	0%	
Optimum Capacity		0.84	0.94	0.61	1.88	-	-	4.27
Existing Capacity		-	-	-	-	-	-	-
Civil Works								
Civil Cost	2.93	0.84	0.94	0.61	1.88	-	-	4.27
Total Civil Works	2.93	0.57	0.64	0.42	1.29	-	-	2.93
-								
Mechanical Works								
Mobile Harbour Crane	47.25	665	670	705	2,104	-	-	4,144
Mobile Hoppers	3.41	665	-	-	-	-	-	665
Wheel loaders	3.64	4,655	4,690	-	-	-	-	9,345
Fork Lifts	2.36	-	-	3,525	10,520	-	-	14,045
Dust Suppression system	1.26	0.84	0.94	0.61	1.88	-	-	4.27
Total Mechanical Works Cost	57.92	13.05	9.74	8.81	26.31	-	-	57.92
Engineering & Project Supervision								
Contingencies	2%	1.25	0.28	0.22	0.19	0.57	-	-
	3%	1.88	0.42	0.32	0.29	0.85	-	-
Block Cost								
	65.89	14.70	11.34	9.98	29.86	-	-	
Miscellaneous Cost (5% of Civil and Equipment Cost)								
	3.29	0.74	0.57	0.50	1.49	-	-	
Total Capital Cost								
	69.18	15.44	11.91	10.48	31.36	-	-	

Consumption per Unit	Rate per Consumption
1000 Kwh	6.70
22 Kwh	6.70
7 Ltrs	95.17
5 Kwh	95.17

**Annexure 10.1 (UNCTAD)**

UNCTAD	Capital Cost (INR Crore)	Dry Bulk Import	Dry Bulk Export	Break Bulk Import	Break Bulk Export	Commodity 5	Commodity 6	Total
Foreign Going		100%	100%	100%	100%	0%	0%	
Coastal		0%	0%	0%	0%	0%	0%	
Optimum Capacity		0.49	0.56	0.38	1.15	-	-	2.57
Existing Capacity		-	-	-	-	-	-	-
Civil Works								
Civil Cost	2.93	0.49	0.56	0.38	1.15	-	-	2.57
Total Civil Works	2.93	0.56	0.63	0.43	1.30	-	-	2.93
-								
Mechanical Works								
Mobile Harbour Crane	47.25	665	670	705	2,104	-	-	4,144
Mobile Hoppers	3.41	665	-	-	-	-	-	665
Wheel loaders	3.64	4,655	4,690	-	-	-	-	9,345
Fork Lifts	2.36	-	-	3,525	10,520	-	-	14,045
Dust Suppression system	1.26	0.49	0.56	0.38	1.15	-	-	2.57
Total Mechanical Works Cost	57.92	13.05	9.74	8.82	26.32	-	-	57.92
Electrical Works								
Electrical Cost	1.90	0.49	0.56	0.38	1.15	-	-	2.57
Total Electrical Works Cost	1.90	0.36	0.41	0.28	0.85	-	-	1.90
Engineering & Project Supervision	2%	1.25	0.28	0.22	0.19	0.57	-	-
Contingencies	3%	1.88	0.42	0.32	0.29	0.85	-	-
Block Cost	65.89	14.66	11.32	10.01	29.90	-	-	
Interest During Construction	3.80	0.85	0.65	0.58	1.72	-	-	
Total Capital Cost	69.69	15.51	11.97	10.58	31.62	-	-	

Consumption per Unit	Rate per Consumption
1000 Kwh	6.70
22 Kwh	6.70
7 Ltrs	95.17
5 Kwh	95.17

## **Annexure 10.2**

	01-Apr-2025	01-Apr-2026	01-Apr-2027	01-Apr-2028	01-Apr-2029	01-Apr-2030	01-Apr-2031	01-Apr-2032	01-Apr-2033	01-Apr-2034	01-Apr-2035	01-Apr-2036	01-Apr-2037	01-Apr-2038	01-Apr-2039
	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	31-Mar-2031	31-Mar-2032	31-Mar-2033	31-Mar-2034	31-Mar-2035	31-Mar-2036	31-Mar-2037	31-Mar-2038	31-Mar-2039	31-Mar-2040
	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040

Cargo Handled (MTPA)															
Dry Bulk Import	0.37	0.40	0.40	0.41	0.41	0.41	0.42	0.42	0.42	0.43	0.43	0.43	0.43	0.44	0.44
Dry Bulk Export	0.31	0.33	0.35	0.37	0.39	0.40	0.40	0.41	0.41	0.42	0.42	0.43	0.43	0.44	0.45
Break Bulk Import	0.10	0.11	0.12	0.13	0.15	0.15	0.16	0.17	0.17	0.18	0.19	0.20	0.21	0.21	0.22
Total	1.24	1.34	1.42	1.51	1.58	1.61	1.64	1.67	1.70	1.73	1.77	1.80	1.84	1.88	1.91

	01-Apr-2040	01-Apr-2041	01-Apr-2042	01-Apr-2043	01-Apr-2044	01-Apr-2045	01-Apr-2046	01-Apr-2047	01-Apr-2048	01-Apr-2049	01-Apr-2050	01-Apr-2051	01-Apr-2052	01-Apr-2053	01-Oct-2053
	31-Mar-2041	31-Mar-2042	31-Mar-2043	31-Mar-2044	31-Mar-2045	31-Mar-2046	31-Mar-2047	31-Mar-2048	31-Mar-2049	31-Mar-2050	31-Mar-2051	31-Mar-2052	31-Mar-2053	30-Sep-2053	30-Sep-2053
	365	365	365	365	365	365	365	365	365	365	365	365	365	183	0
	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2054

Cargo Handled (MTPA)															
Dry Bulk Import	0.44	0.45	0.45	0.45	0.46	0.46	0.46	0.47	0.47	0.47	0.48	0.48	0.48	0.24	-
Dry Bulk Export	0.45	0.46	0.47	0.47	0.48	0.49	0.50	0.50	0.51	0.52	0.53	0.54	0.55	0.28	-
Break Bulk Import	0.23	0.24	0.25	0.26	0.27	0.28	0.29	0.30	0.32	0.33	0.34	0.35	0.37	0.19	-
Total	1.95	1.99	2.03	2.07	2.12	2.16	2.21	2.25	2.30	2.35	2.40	2.45	2.51	1.29	-

**Annexure 10.3 (TAMP)**



TAMP		O&M Cost (INR Crore)	Dry Bulk Import	Dry Bulk Export	Break Bulk Import	Break Bulk Export	Commodity 5	Commodity 6	Total
Mechanical Hire Charges									
Movable Trucks		25.61	0.84	0.94	0.61	1.88	-	-	4.27
Total Mechanical Hire Charges		25.61	5.03	5.61	3.68	11.29	-	-	25.61
Power and Fuel Cost									
		4.08	0.77	0.76	0.64	1.91	-	-	
Repair & Maintenance Cost									
Civil Works (% of Civil Works)	1.00%	0.03	0.01	0.01	0.00	0.01	-	-	
Mechanical Works (% of Mechanical Works)	5.00%	2.90	0.65	0.49	0.44	1.32	-	-	
Electrical Works (% of Electrical Works)	5.00%	0.10	0.02	0.02	0.01	0.04	-	-	
Other Works (% of Other Works)	0.00%	-	-	-	-	-	-	-	
Insurance (% of Gross Fixed Asset)	1.00%	0.69	0.15	0.12	0.10	0.31	-	-	
Depreciation Cost									
Civil Works (% of Civil Works)	3.17%	0.09	0.02	0.02	0.01	0.04	-	-	
Mechanical Works (% of Mechanical Works)	6.33%	3.67	0.83	0.62	0.56	1.67	-	-	
Electrical Works (% of Electrical Works)	9.50%	0.18	0.04	0.04	0.03	0.08	-	-	
Other Works (% of Other Works)	0.00%	-	-	-	-	-	-	-	
License Fee		1.37	0.27	0.30	0.20	0.60	-	-	
Other Expenses (% of Gross Fixed Asset)	5.00%	3.46	0.77	0.60	0.52	1.57	-	-	
Total Operation & Maintenance Cost		42.16	8.54	8.58	6.20	18.84	-	-	

**Annexure 10.3 (UNCTAD)**

UNCTAD		O&M Cost (INR Crore)	Dry Bulk Import	Dry Bulk Export	Break Bulk Import	Break Bulk Export	Commodity 5	Commodity 6	Total
Mechanical Hire Charges									
Movable Trucks		15.42	0.49	0.56	0.38	1.15	-	-	2.57
Total Mechanical Hire Charges		15.42	2.93	3.34	2.28	6.88	-	-	15.42
Power and Fuel Cost									
Power and Fuel Cost		4.08	0.77	0.76	0.64	1.91	-	-	
Repair & Maintenance Cost									
Civil Works (% of Civil Works)		1.00%	0.03	0.01	0.01	0.00	0.01	-	-
Mechanical Works (% of Mechanical Works)		5.00%	2.90	0.65	0.49	0.44	1.32	-	-
Electrical Works (% of Electrical Works)		5.00%	0.10	0.02	0.02	0.01	0.04	-	-
Other Works (% of Other Works)		0.00%	-	-	-	-	-	-	-
Insurance (% of Gross Fixed Asset)									
Insurance (% of Gross Fixed Asset)		1.00%	0.66	0.15	0.11	0.10	0.30	-	-
Depreciation Cost									
Civil Works (% of Civil Works)		3.17%	0.09	0.02	0.02	0.01	0.04	-	-
Mechanical Works (% of Mechanical Works)		6.33%	3.67	0.83	0.62	0.56	1.67	-	-
Electrical Works (% of Electrical Works)		9.50%	0.18	0.03	0.04	0.03	0.08	-	-
Other Works (% of Other Works)		0.00%	-	-	-	-	-	-	-
Other Expenses (% of Gross Fixed Asset)									
Other Expenses (% of Gross Fixed Asset)		5.00%	3.48	0.78	0.60	0.53	1.58	-	-
Total Operation & Maintenance Cost		30.60	6.17	6.00	4.61	13.83	-	-	

**Annexure 10.4 (TAMP)**



**Annexure 10.4 (UNCTAD)**

Dry Bulk Import							
Storage Period (Days)	Days	Share of Cargo	Cargo (MT)	Weightage to Storage Rate	Overall Weightage	Storage Rate (INR per MT per Day)	Storage Revenue (INR Crore)
Free Period (0 - 5)	5	50%	244,069	0	-	-	-
6 - 10	5	20%	97,628	1	1,220,344	1.54	0.19
11 - 15	5	20%	97,628	1.5	1,098,310	2.31	0.17
> 15	5	10%	48,814	2	488,138	3.08	0.08
488,138							0.43

Break Bulk Import							
Storage Period (Days)	Days	Share of Cargo	Cargo (MT)	Weightage to Storage Rate	Overall Weightage	Storage Rate (INR per MT per Day)	Storage Revenue (INR Crore)
Free Period (0 - 5)	5	50%	190,004	0	-	-	-
6 - 10	5	20%	76,002	1	950,022	1.44	0.14
11 - 15	5	20%	76,002	1.5	855,020	2.16	0.12
> 15	5	10%	38,001	2	380,009	2.88	0.05
380,009							0.32

**Annexure 10.5 (TAMP)**



TAMP (INR Crore)	01-Oct-2023	01-Apr-2024	01-Apr-2025	01-Apr-2026	01-Apr-2027	01-Apr-2028	01-Apr-2029	01-Apr-2030	01-Apr-2031	01-Apr-2032	01-Apr-2033	01-Apr-2034	01-Apr-2035	01-Apr-2036	01-Apr-2037
	31-Mar-2024	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	31-Mar-2031	31-Mar-2032	31-Mar-2033	31-Mar-2034	31-Mar-2035	31-Mar-2036	31-Mar-2037	31-Mar-2038
	183	365	365	365	365	365	365	365	365	365	365	365	365	365	365
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Cargo Handling Revenue	-	-	17.36	19.38	21.13	23.07	24.88	26.15	27.44	28.80	30.23	31.74	33.33	35.01	36.78
Berth Hire Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mechanical Hire Charges	-	-	(8.04)	(8.88)	(9.59)	(10.38)	(11.08)	(11.54)	(11.99)	(12.46)	(12.95)	(13.47)	(14.00)	(14.56)	(15.15)
Power and Fuel Cost	-	-	(2.10)	(2.32)	(2.51)	(2.71)	(2.90)	(3.02)	(3.14)	(3.26)	(3.39)	(3.53)	(3.67)	(3.82)	(3.98)
Repair & Maintenance Cost	-	-	(3.27)	(3.33)	(3.40)	(3.47)	(3.54)	(3.61)	(3.68)	(3.76)	(3.83)	(3.91)	(3.99)	(4.07)	(4.15)
Berth Maintenance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	(0.71)	(0.73)	(0.74)	(0.76)	(0.77)	(0.79)	(0.80)	(0.82)	(0.84)	(0.85)	(0.87)	(0.89)	(0.90)
Other Expenses	-	-	(3.57)	(3.64)	(3.71)	(3.78)	(3.86)	(3.94)	(4.02)	(4.10)	(4.18)	(4.26)	(4.35)	(4.43)	(4.52)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operating Activities	-	-	(0.32)	0.48	1.18	1.97	2.72	3.26	3.81	4.41	5.04	5.73	6.46	7.24	8.08
Capital Expenditure	(22.46)	(47.23)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(22.46)	(47.23)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow for Pre-Tax Project IRR	(22.46)	(47.23)	(0.32)	0.48	1.18	1.97	2.72	3.26	3.81	4.41	5.04	5.73	6.46	7.24	8.08

TAMP (INR Crore)	01-Apr-2038	01-Apr-2039	01-Apr-2040	01-Apr-2041	01-Apr-2042	01-Apr-2043	01-Apr-2044	01-Apr-2045	01-Apr-2046	01-Apr-2047	01-Apr-2048	01-Apr-2049	01-Apr-2050	01-Apr-2051	01-Apr-2052
	31-Mar-2039	31-Mar-2040	31-Mar-2041	31-Mar-2042	31-Mar-2043	31-Mar-2044	31-Mar-2045	31-Mar-2046	31-Mar-2047	31-Mar-2048	31-Mar-2049	31-Mar-2050	31-Mar-2051	31-Mar-2052	31-Mar-2053
	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Cargo Handling Revenue	38.64	40.60	42.66	44.83	47.13	49.55	52.10	54.78	57.61	60.59	63.74	67.06	70.57	74.27	78.43
Berth Hire Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mechanical Hire Charges	(15.76)	(16.39)	(17.06)	(17.75)	(18.48)	(19.24)	(20.03)	(20.86)	(21.72)	(22.62)	(23.56)	(24.55)	(25.58)	(26.66)	(27.88)
Power and Fuel Cost	(4.14)	(4.31)	(4.48)	(4.67)	(4.86)	(5.06)	(5.28)	(5.50)	(5.73)	(5.97)	(6.22)	(6.48)	(6.75)	(7.04)	(7.37)
Repair & Maintenance Cost	(4.23)	(4.31)	(4.40)	(4.49)	(4.58)	(4.67)	(4.76)	(4.86)	(4.96)	(5.05)	(5.16)	(5.26)	(5.36)	(5.47)	(5.58)
Berth Maintenance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	(0.92)	(0.94)	(0.96)	(0.98)	(1.00)	(1.02)	(1.04)	(1.06)	(1.08)	(1.10)	(1.12)	(1.15)	(1.17)	(1.19)	(1.22)
Other Expenses	(4.61)	(4.71)	(4.80)	(4.90)	(4.99)	(5.09)	(5.19)	(5.30)	(5.40)	(5.51)	(5.62)	(5.74)	(5.85)	(5.97)	(6.09)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operating Activities	8.98	9.93	10.96	12.05	13.22	14.46	15.80	17.21	18.72	20.34	22.06	23.89	25.85	27.94	30.30
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow for Pre-Tax Project IRR	8.98	9.93	10.96	12.05	13.22	14.46	15.80	17.21	18.72	20.34	22.06	23.89	25.85	27.94	30.30

Pre-Tax Project IRR

8.4%

**Annexure 10.5 (UNCTAD)**

UNCTAD (INR Crore)	01-Oct-2023	01-Apr-2024	01-Apr-2025	01-Apr-2026	01-Apr-2027	01-Apr-2028	01-Apr-2029	01-Apr-2030	01-Apr-2031	01-Apr-2032	01-Apr-2033	01-Apr-2034	01-Apr-2035	01-Apr-2036	01-Apr-2037
	31-Mar-2024	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	31-Mar-2031	31-Mar-2032	31-Mar-2033	31-Mar-2034	31-Mar-2035	31-Mar-2036	31-Mar-2037	31-Mar-2038
	183	365	365	365	365	365	365	365	365	365	365	365	365	365	365
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Cargo Handling Revenue	-	-	22.69	25.34	27.61	30.13	32.47	34.13	35.81	37.58	39.45	41.41	43.49	45.67	47.97
Berth Hire Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mechanical Hire Charges	-	-	(8.04)	(8.88)	(9.59)	(10.38)	(11.08)	(11.54)	(11.99)	(12.46)	(12.95)	(13.47)	(14.00)	(14.56)	(15.15)
Power and Fuel Cost	-	-	(2.10)	(2.32)	(2.51)	(2.71)	(2.90)	(3.02)	(3.14)	(3.26)	(3.39)	(3.53)	(3.67)	(3.82)	(3.98)
Repair & Maintenance Cost	-	-	(3.27)	(3.33)	(3.40)	(3.47)	(3.54)	(3.61)	(3.68)	(3.76)	(3.83)	(3.91)	(3.99)	(4.07)	(4.15)
Berth Maintenance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	(0.71)	(0.73)	(0.74)	(0.76)	(0.77)	(0.79)	(0.80)	(0.82)	(0.84)	(0.85)	(0.87)	(0.89)	(0.90)
Other Expenses	-	-	(3.77)	(3.85)	(3.92)	(4.00)	(4.08)	(4.16)	(4.25)	(4.33)	(4.42)	(4.51)	(4.60)	(4.69)	(4.78)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operating Activities	-	-	4.80	6.23	7.45	8.82	10.09	11.01	11.95	12.95	14.02	15.15	16.36	17.65	19.01
Capital Expenditure	(22.46)	(47.23)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(22.46)	(47.23)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow for Pre-Tax Project IRR	(22.46)	(47.23)	4.80	6.23	7.45	8.82	10.09	11.01	11.95	12.95	14.02	15.15	16.36	17.65	19.01

UNCTAD (INR Crore)	01-Apr-2038	01-Apr-2039	01-Apr-2040	01-Apr-2041	01-Apr-2042	01-Apr-2043	01-Apr-2044	01-Apr-2045	01-Apr-2046	01-Apr-2047	01-Apr-2048	01-Apr-2049	01-Apr-2050	01-Apr-2051	01-Apr-2052
	31-Mar-2039	31-Mar-2040	31-Mar-2041	31-Mar-2042	31-Mar-2043	31-Mar-2044	31-Mar-2045	31-Mar-2046	31-Mar-2047	31-Mar-2048	31-Mar-2049	31-Mar-2050	31-Mar-2051	31-Mar-2052	31-Mar-2053
	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Cargo Handling Revenue	50.39	52.94	55.62	58.45	61.43	64.58	67.91	71.39	75.07	78.94	83.04	87.35	91.91	96.73	102.13
Berth Hire Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mechanical Hire Charges	(15.76)	(16.39)	(17.06)	(17.75)	(18.48)	(19.24)	(20.03)	(20.86)	(21.72)	(22.62)	(23.56)	(24.55)	(25.58)	(26.66)	(27.88)
Power and Fuel Cost	(4.14)	(4.31)	(4.48)	(4.67)	(4.86)	(5.06)	(5.28)	(5.50)	(5.73)	(5.97)	(6.22)	(6.48)	(6.75)	(7.04)	(7.37)
Repair & Maintenance Cost	(4.23)	(4.31)	(4.40)	(4.49)	(4.58)	(4.67)	(4.76)	(4.86)	(4.96)	(5.05)	(5.16)	(5.26)	(5.36)	(5.47)	(5.58)
Berth Maintenance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	(0.92)	(0.94)	(0.96)	(0.98)	(1.00)	(1.02)	(1.04)	(1.06)	(1.08)	(1.10)	(1.12)	(1.15)	(1.17)	(1.19)	(1.22)
Other Expenses	(4.88)	(4.98)	(5.08)	(5.18)	(5.28)	(5.39)	(5.49)	(5.60)	(5.72)	(5.83)	(5.95)	(6.07)	(6.19)	(6.31)	(6.44)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operating Activities	20.46	22.00	23.64	25.38	27.24	29.21	31.30	33.52	35.87	38.37	41.03	43.86	46.86	50.05	53.65
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow for Pre-Tax Project IRR	20.46	22.00	23.64	25.38	27.24	29.21	31.30	33.52	35.87	38.37	41.03	43.86	46.86	50.05	53.65

Pre-Tax Project IRR

16.3%



**Voyants Solutions Private Limited.**

403, 4th Floor, Park Centre, Sector 30, NH-8,  
Gurugram-122001, Haryana, India,

Ph: +91 124 4598200 E-mail: [info@voyants.in](mailto:info@voyants.in),  
Website: [www.voyants.in](http://www.voyants.in)