

MINUTES OF THE SPECIAL BOARD MEETING NO. 1 OF 2018-19 OF THE BOARD
OF TRUSTEES HELD 16.11.2018

- 1 Shri M.T. Krishna Babu, IAS.,
Chairman,
Visakhapatnam Port Trust.
- 2 Shri P.L.Haranadh, IRTS.,
Dy. Chairman,
Visakhapatnam Port Trust.
- 3 Ms. Shipra Sharma, (Attended through: Video Conference)
Director (Ports),
Ministry of Shipping,
NEW DELHI.
- 4 Shri V.V. Rama Rao,
Hony. President,
VH&PW Union, VISAKHAPATNAM.
- 5 Shri D.K. Sarma,
General Secretary,
The Visakhapatnam Port Employees' Union,
VISAKHAPATNAM.
- 6 Shri Navdeep Raj,
Dy. Inspector General,
Commander,
Coast Guard, (AP), VISAKHAPATNAM.
- 7 Shri S. Satyanarayana Murty,
Surveyor – in –charge-cum-
Dy. Director General of Shipping (Tech.),
Mercantile Marine Department,
VISAKHAPATNAM
- 8 Cmde Sanjiv Issar,
Naval Officer-in-charge (A.P.),
VISAKHAPATNAM.
- 9 Dr. D.K. Srinivas,
Commissioner of Customs,
VISAKHAPATNAM.
- 10 Shri Paidi Venugopalam,
Srikakulam.
- 11 Shri S.V.S. Prakash Rao,
Visakhapatnam.
- 12 Shri Paka Venkata Satyanarayana
Bhimavaram, West Godavari.
- 13 Shri M. Chakravarthy,
Chennai.

THE FOLLOWING OFFICERS ARE ALSO PRESENT

Shri C. Harichandran, Secretary

Shri D. Ramana Murthy, FA&CAO i/c

LEAVE OF ABSENCE WAS GRANTED TO THE FOLLOWING TRUSTEES

1. Shri Ajay Jain, I.A.S.
Principal Secretary to Government,
Energy, Infrastructure & Investment Department,
Andhra Pradesh Secretariat,
HYDERABAD.
2. Shri Sanjay Kumar Mishra, IRTS,
Chief Freight Transportation Manager
East Coast Railway, BHUBANESWAR.
3. Dr. M.R.G. Reddy,
Additional PCCF (Central),
Government of India,
Regional Office,
Chennai 600 034

AGENDA ITEM No. S -1

Sub: Revised Estimates 2018-19 and Budget Estimates for 2019-20.

RESOLUTION No. 86 /2018-19

Board resolved to approve the Revised Estimates for 2018-19 and Budget Estimates for 2019-20 of the Visakhapatnam Port Trust under Section 98(3) of The Major Port Trust Act, 1963 and forward the same to the Government of India for obtaining its sanction under Section 98(5) ibid.

MINUTES OF THE BOARD MEETING NO. 3 OF 2018-19 OF THE BOARD OF TRUSTEES HELD 28.11.2018

- 1 Shri M.T. Krishna Babu, IAS.,
Chairman,
Visakhapatnam Port Trust.
- 2 Shri P.L.Haranadh, IRTS.,
Dy. Chairman,
Visakhapatnam Port Trust.
- 3 Ms. Shipra Sharma,
Director (Ports),
Ministry of Shipping,
NEW DELHI.
- 4 Shri V.V. Rama Rao,
Hony. President,
VH&PW Union, VISAKHAPATNAM.
- 5 Shri D.K. Sarma,
General Secretary,
The Visakhapatnam Port Employees' Union,
VISAKHAPATNAM.
- 6 Shri Navdeep Raj,
Dy. Inspector General,
Commander,
Coast Guard, (AP), VISAKHAPATNAM.
- 7 Shri S. Satyanarayana Murty,
Surveyor – in –charge-cum-
Dy. Director General of Shipping (Tech.),
Mercantile Marine Department,
VISAKHAPATNAM
- 8 Cmde Sanjiv Issar,
Naval Officer-in-charge (A.P.),
VISAKHAPATNAM.
- 9 Dr. D.K. Srinivas,
Commissioner of Customs,
VISAKHAPATNAM.
- 10 Shri Paidi Venugopalam,
Srikakulam.
- 11 Shri S.V.S. Prakash Rao,
Visakhapatnam.
- 12 Shri Paka Venkata Satyanarayana
Bhimavaram, West Godavari.

THE FOLLOWING OFFICERS ARE ALSO PRESENT

Shri C. Harichandran, Secretary

Shri D. Ramana Murthy, FA&CAO i/c

LEAVE OF ABSENCE WAS GRANTED TO THE FOLLOWING TRUSTEES

1. Shri Ajay Jain, I.A.S.
Principal Secretary to Government,
Energy, Infrastructure & Investment Department,
Andhra Pradesh Secretariat,
HYDERABAD.
2. Shri Sanjay Kumar Mishra, IRTS,
Chief Freight Transportation Manager
East Coast Railway, BHUBANESWAR.
3. Dr. M.R.G. Reddy,
Additional PCCF (Central),
Government of India,
Regional Office,
Chennai 600 034
4. Shri M. Chakravarthy,
Chennai.

At the outset Chairman has welcomed the New Trustee viz., Ms. Shipra Sharma, Director (Ports), Ministry of Shipping, New Delhi, and also placed on record the valuable services rendered by the outgoing Trustee, Shri Rajat Sachar, Advisor, (Eco.), Ministry of Shipping, New Delhi.

RESOLUTION No. 87 / 2017-18

Board resolved to place on record the valuable services rendered by the outgoing Trustee Shri Rajat Sachar, Advisor, (Eco.), Ministry of Shipping, New Delhi.

AGENDA ITEM No. I – 1

Sub: Confirmation of Minutes of the Board Meeting No. 2 of 2018-19 of the Board of Trustees held on 03.09.2018 and Circulation Board notes dt.16.08.2018, 17.10.2018 & 23.10.2018.

RESOLUTION No. 88 / 2018 - 19

Board resolved to adopt the minutes of the Board Meeting No. 2 of 2018-19 of the Board of Trustees held on 03.09.2018 and Circulation Board notes dt.16.08.2018, 17.10.2018 & 23.10.2018.

AGENDA ITEM NO. I - 2

Sub: Note on action taken on the minutes of the Board Meeting No.2 of 2018-19 of the Board of Trustees held on 03.09.2018 and Circulation Board Notes dt.16.08.2018, 17.10.2018 & 23.10.2018.

NOTED

AGENDA ITEM No. I -3

Sub: Holidays for the year 2019.

NOTED

AGENDA ITEM No. I -4

Sub: Progress of ongoing Plan Schemes taken up by VPT costing more than Rs.1.00 Crore and above during the year 2018-19.

NOTED

AGENDA ITEM No. I – 5

Sub: Investment of Port funds.

NOTED

AGENDA ITEM No. I – 6

Sub: Development of Multipurpose Terminal for handling Clean break bulk cargo and Container Cargo at Inner Harbour of VPT.

NOTED

AGENDA ITEM No. I – 7

Sub: Cargo throughput and Ship performance.

NOTED

AGENDA ITEM No. I – 8

Sub: Works awarded on Nomination Basis.

NOTED

AGENDA ITEM No. I – 9

Sub: Sanctions issued by Chairman in pursuance of Section 93 / 94 and Sub-Section (1) of Section 34 of the MPT Act, 1963 during period from July, 2018 to September, 2018.

NOTED

AGENDA ITEM No. I – 10

Sub: Fuel efficiency of all the crafts and Equipments.

NOTED

AGENDA ITEM No. I – 11

Sub: Notification of M/s Vizag General Cargo Berth Pvt. Ltd Railway Siding inside VPT on through distance basis under EOL Scheme.

NOTED

AGENDA ITEM No. I – 12

Sub: Proposal for fixing the Schedule of Rates of the VPT land for the quinquennium 2018-23 approved by TAMP.

NOTED

AGENDA ITEM No. I – 13

Sub: Development of East Quay-1A (EQ-1A) berth on south side of EQ-1 berth in the Inner Harbour of Visakhapatnam Port on DBFOT basis – Information.

NOTED

AGENDA ITEM No. I – 14

Sub: Filling up the HoD level posts in all Category-I Major Port Trusts.

NOTED

AGENDA ITEM No. I – 15

Sub: Comprehensive Group Health Insurance Policy for Pool Khallasis engaged in VPT – Renewal for the year 2018-19.

NOTED

AGENDA ITEM No. I – 16

Sub: Revision of tariff in respect of Diamond Jubilee Outdoor Stadium and Rajiv Gandhi Indoor Stadium, Sports & Cultural Complex, Nehru Place, Visakhapatnam.

NOTED

AGENDA ITEM No. I – 17

Sub: Information Board Note on Insurance of Port Properties.

NOTED

AGENDA ITEM No. I – 18

Sub: Schedule of Staff – Statement showing the particulars of Class-I, II, III & IV posts Created / extended during the period from 01.08.2018 to 30.09.2018 and also statement showing the position of number of vacancies arose and number of vacancies filled.

NOTED

AGENDA ITEM No. I – 19

Sub: Up-gradation of the existing OHC mechanized Outer Harbor facility (Phase – I) and creation of new mechanized Inner Harbour facility (Phase – II) at Visakhapatnam Port Trust for Iron Ore Handling on DBFOT basis – Expert Opinion on disputed issues.

The Board during the meeting has noted and perused the opinion of the Expert Justice L. Narasimha Reddy, (Retd.) Chief Justice of Patna High Court, on the disputed issues of OHCProjectviz.,(1) Levy of Liquidated Damages, (2) Berth Maintenance (3) Annual maintenance charges at Ore Exchange yardand (4) Phase – II Development. After detailed discussion, Board resolved that opinion of Expert be examined in house and then a meeting be held with the Concessionaire on the Expert's Opinion and try to reach a consensus. Thereafter the way forward may be put to Board for review and decision.

AGENDA ITEM No. I – 20

Sub: Mechanization of Coal handling facilities and up-gradation of General Cargo Berth (GCB) at Outer harbour of Visakhapatnam Port to cater 200,000 DWT vessels on DBFOT basis – Expert opinion on disputed issues.

The Board during the meeting has noted and perused the opinion of the Expert Justice L. Narasimha Reddy, (Retd.) Chief Justice of Patna High Court, on the disputed issues of GCB project viz.,(1) Land lease rentals of the disputed areas covered by 132 KV substation. Railway line beyond SILO and difference in berth & back up area, (2)

Land SoR revision by TAMP for every 5 years and its applicability to VGCB, (3) Additional Capex amount of approx.Rs.10crs on Railway lines beyond the Project scope, (4) Additional Capex amount of approx.Rs.24crs and regular capex amounts spent on 132 KV substation which is not in the initial scope of the project and (5) Loss caused to VGCB due to delay in Dredging. After detailed discussion, Board resolved that opinion of Expert be examined in house and then a meeting be held with the Concessionaire on the Expert's Opinion and try to reach a consensus. Thereafter the way forward may be put to Board for review and decision.

AGENDA ITEM No. I – 21

Sub: Important Projects taken up by Port – Review in the Board Meeting.

NOTED

AGENDA ITEM No. R-1

Sub: Payment of legal fee to Advocate / Arbitrators / AGI in various court cases / arbitrations / legal opinions.

RESOLUTION No. 89 /2018-19

Board ratified the action taken by the Chairman in terms of Delegation of Enhanced Financial Powers communicated vide Ministry's letter dt. Dt. 08-06-2018, for payment of Legal fee and expenses as per Annexure – II appended to the agenda.

AGENDA ITEM No. R – 2

Sub: Condition Assessment on performance evaluation of 4 (four) Nos. Bridges at VPT and formulation of remedial measures – Entrusting the study to M/s.CSIR – SERC (Council of Scientific & Industrial Research – Structural Engineering Research Center), Chennai.

RESOLUTION No. 90 /2018-19

Board resolved to ratify the action taken by the Chairman on the following:

1. To entrust the work "Condition assessment and performance evaluation for four number of bridges at VPT and formulation of remedial measure" for an amount of Rs.46,70,813/- (Rupees forty six lakhs seventy thousand eight hundred and thirteen only) including GST @ 18% to the CSIR-Structural Engineering Research Centre Chennai.
2. To pay the amount by cross demand draft drawn in favour of "IRF-CSIR-Structural Engineering Research Centre" payable at SBI, Taramani, Chennai as a full advance before the start of work.
3. Terms and conditions as per the Annexure-I. The work from the items 1 to 12 in connection with the arrangements to be made as per the requirements of SERC terms and conditions will be executed through MC zone contract i.e

“Miscellaneous engineering works of buildings, sheds, internal drains, roads of west division for a period of 2 years for the year 2018-20”(W.O yet to be awarded).

4. To meet the expenditure from the allocation 045-591-741 and
5. Time for completion of the work is 6 months

AGENDA ITEM No. R - 3

Sub: Repairs to Steel Girders bridges of Visakhapatnam Port Trust.

RESOLUTION No. 91 /2018-19

Board ratified the action taken by the Chairman to the following:

1. To entrust the subject work to E.Co. Rlys, Waltair Division for an amount of Rs.7,45,95,674/- (including GST) and also to complete the work within 24 months.
2. To the estimate for Repairs to Steel Girders bridges of Visakhapatnam Port Trust at cost of Rs.7,45,95,674/- (including GST) (Rupees Seven Cores forty five lakhs ninety five thousand six hundred and seventy four) as submitted by E.Co.Rlys.
3. To Deposit the amount Rs.7,45,95,674/-(including GST) to E. Co Rlys Waltair for Execution of the work “Repairs to Steel Girders bridges of Visakhapatnam Port Trust” and
4. To meet the expenditure from RBE 2018-19 under the scheme 'Modernization of Railway siding facilities" under the sub scheme Eco Rly/IPRCL works and to debit the expenditure to the head of account 779-003-018.

AGENDA ITEM No. R - 4

Sub: Up gradation and strengthening of B.T & C.C blocks operational roads including drains and berms for East zone in VPT.

RESOLUTION No. 92 /2018-19

Board resolved to ratify the following:

1. To extend the validity of the contract for a period of 55 (fifty five) days i.e., from 05-02-2018 to 31-03-2018 without levying compensation as the work front not spared by T.M Department to existing contractors M/s. Sri Venkateswara Constructions within its schedule period.

AGENDA ITEM No. R- 5

Sub: Dry docking repairs of Tug. Sardar Patel.

RESOLUTION No. 93 /2018-19

Board ratified the action taken by the Chairman to the following:

1. To accept Invoices for Rs.5,57,34,380-50 (Inclusive of ST @ 15%) and Rs.50,15,499-55 (Inclusive of GST @ 18%) of M/s. HSL. Visakhapatnam and to pay Invoices without Service Tax.
2. Not to recover Security Deposit from the on account bill of M/s. HSL, since guarantee period was completed and no defects reported during the guarantee period of 12 months.
3. To levy penalty maximum of 10% on the work executed value towards LD as per work order condition.
4. To process payment as per terms and condition of work order without Service Tax and to process Service Tax payment separately at later stage

and

5. To meet the expenditure against allocation: 083-590-939

AGENDA ITEM NO. R- 6

Sub: Supply, Installation, Commissioning and Maintenance of RFID at VPT Pproject Management Consultancy.

RESOLUTION No. 94 /2018-19

Board resolved to ratify the action taken by the Chairman on the following

1. To award extension of work order to M/s NISG, GOI, Hyderabad on same terms and commercial conditions to an amount of Rs.3,45,000/- for a period of 02 months from 1st October 2018 to 30th November 2018 and to pay applicable GST extra as per the statutory rules
and
2. To debit the expenditure on 051-590-731 (2018-19)

AGENDA ITEM No. R – 7

Sub: Performance evaluation of the PPP projects at VPT.

RESOLUTION No. 95 /2018-19

Board ratified the action taken by the Chairman to the following;

- 1) To address all the Concessionaries to pay the liquidated damages calculated by Traffic department for short fall in performance standards as per Concession Agreement through Traffic Department.
- 2) To reply the Audit accordingly on the action initiated by VPT as at (1) and
- 3) To refer to an Expert if the Concessionaires raise dispute and seek expert advice.

AGENDA ITEM No. R – 8

Sub: Request for sanction of - Open and covered storage allotments for various firms in respect of (1) Vessel to vessel basis (2) Manual Iron Ore Plots Cargo /Steel (3) Rooms (4) Bins/Hoppers/Weigh Bridges / Garages / Sheds.

RESOLUTION No. 96 / 2018 - 19

Board resolved to ratify the action taken by the Chairman vide U. O. Note No. ITRA/REV/FMISC dated 12.11.2018 in respect of allotments / renewals / UAO charges on open and covered storage area allotted to various firms for (1) Vessel to vessel basis (2) Manual Iron Ore Plots (3) General Cargo / Steel Cargo / Containers (4) Rooms (5) Bins/Hoppers/Weigh Bridges / Garages/Sheds (**ANNEXURE I,II,III, & IV**) appended to the agenda respectively

AGENDA ITEM No. R – 9

Sub: Setting up of mechanism for removal of floating material from two major drains joining port waters and safe disposal at Visakhapatnam Port.

RESOLUTION No. 97 / 2018-19

Board resolved to ratify the action taken by the Chairman for the following:

- i) To entrust the work of Fabrication, installation, transportation of the fabricated units from Hyderabad to Visakhapatnam, labour charges etc. to M/s Avani Innovative Technologies, Hyderabad on nomination basis at a cost of Rs. 12,00,000/- plus GST as applicable and to pay the amount in installments mutually agreed by the firm and VPT;
- ii) To supply the required material approximately at an amount of Rs.36,19,473/- as per the list furnished by M/s Avani Innovative Technologies, Hyderabad duly obtaining the quotations from the SAIL / RINL

authorized 3 to 4 firms and entrusting the same to the lowest quoted firm through VPT spot purchase committee at Hyderabad and to hand over the same at their workshop in Hyderabad;

- iii) To constitute a spot purchase committee with the following composition:
 - a) Sri. Ch. Srinivasa Rao, EE (Env) / CE Dept.
 - b) Sri. M.N.S.S.Singh, AXE (M) / CME Dept.
 - c) Sri. S. Srinivasa Rao, Dy.CAO / Accounts Dept.
 - d) Sri. S.K.Gupta, AMM / M.M.Division / CME Dept.
- iv) To meet the expenditure under Allocation 044-591-741 and
- v) To obtain Demand drafts on the L1 firms on delivery of the materials and demand drafts can be handed over to the firms immediately on taking delivery.

AGENDA ITEM No. S -1

Sub: ROW – Permission for BSNL OFC from parallel bridge to ‘Y’ Junction in VPT limits.

RESOLUTION No. 98 /2018-19

Board resolved to approve the subject proposal of ROW permission under Land Policy Guidelines-2014 in favour of M/s. BSNL – to lay their OFC cable from parallel bridge to ‘Y’ junction in VPT limits as shown in the sketch VPT/EST/SK/49/2018 (1) subject to collecting (i) ROW Charges (yearly payable), (ii) Supervision Charges (one-time payment) (iii) Caution Deposit (refundable) and (iv) Restoration charges (which will be refunded after restoration of the land to its original condition) and (2) subject to collection of the Differential Supervision charges as per actual cost upon completion of laying the subject OFC cable for which the BSNL shall furnish the actual cost of work upon the execution and also (3) subject to the aforesaid conditions.

AGENDA ITEM No. S -2

Sub: Allotment of VPT land measuring Acs.6.09cts., to M/s. BPCL for their installations at Exim park area – Requested.

RESOLUTION No. 99 /2018-19

Board resolved to approve to allot VPT land measuring Acs.6.09cts., situated in Zone-4 to M/s. BPCL for their installations as shown in Plan Nos.VPT/EST/SK/52/2018 (**Annexure-II**) appended to the Agenda for a period of 30 years from the date of handing over of the land, subject to payment of provisional lease amounts under Industrial category, on annual mode comprising of provisional one year's rent as advance, two year's provisional rent as refundable security deposit and M/s. BPCL shall pay the revised lease amounts as per the rates approved by the TAMP for the quinquennium 2018-23 and thereafter approved from time to time during the currency of lease agreement, subject to other usual terms and conditions and subject to execution of lease agreement under section 34(i) of MPT Act, 1963.

AGENDA ITEM No. S – 3

Sub: Improving the capacity utilization of OR-I & OR-II berths in inner harbour of Visakhapatnam Port – PMC Services by IIT-Madras, Chennai – Approval.

RESOLUTION No. 100 / 2018-19

Board resolved to approve the following:

- i) To the estimate of Rs.1.57 crores plus GST as applicable for “Project Management Consultancy (PMC) services for the project Improving the capacity utilization of OR-I & OR-II berths in inner harbour of Visakhapatnam Port”;
- ii) To entrust the Project Management Consultancy (PMC) services for the project “Improving the capacity utilization of OR-I & OR-II berths in inner harbour of Visakhapatnam Port” with a duration of 42 months to IIT-Madras, Chennai as per the scope of work and terms of reference furnished vide letter No. IC/15-16/OEC/VISA/RSUN/No. 070, dated 19.05.2017 and confirmation furnished by them vide letter No. IC/18-19/OEC/ VPT/RSUN/OR1&OR2/Ltr. No. 968, dated 24.09.2018, which include payment schedule, advance payment, Income tax exemption and Services and facilities to be provided by VPT etc.;
- iii) On the basis of clarification provided during the discussion, Board agreed that out of 10 (Ten) persons to be deployed by IIT, Madras, 4 (four) persons including one Senior Engineer will always remain at site / Visakhapatnam, rest 6 (six) persons will perform task from design office at Chennai; and
- iv) To meet the expenditure under allocation head “779”;

AGENDA ITEM No. S -4

Sub: Lands – Lease of Port Trust lands to Hindustan Shipyard Ltd., on long term / license basis –Request for Long term lease of Acs.0.47603 (1926.45Sq. Mtrs).

RESOLUTION No. 101 /2018-19

Board resolved to approve to grant fresh lease for VPT land measuring Acs.0.4760 (1926.45Sq.Mtrs) situated at Malkapuram area in Zone-3 (new Zone) as shown in plan No. LR/17/2001 in favour of M/s. HSL for 132/11 KV Towers for the period ending 11.06.2040 ie., co-terminable of main lease of Acs.132.12 cts., subject to payment of lease rentals on annual lease basis as per SOR approved by TAMP Quinquennially with annual escalation 2% together with GST at applicable rates and two years rentals **as** refundable security deposit and subject to other usual terms and conditions and subject to execution of lease agreement under section 34(i) of MPT Act, 1963.

Board further resolved that granting of above fresh lease is subjected to clearing of arrear rental dues by M/s. HSL

AGENDA ITEM No. S – 5

Sub: Special Repairs to South Break Waters from CH:0.00m to CH: 1543m including East Round Head of South Break Water - Extension of time / Escalation

RESOLUTION No. 102 / 2018-19

Detailed discussion took place on the Agenda Item during which, it was clarified to the Trustees that this issue was discussed at length in the previous Board meeting held on 03.09.2018 under Item No.S-15 when it was highlighted how the project was inordinately delayed primarily due to frequent breakdown of FC Hanuman which is to be supplied by the Port as per scope of work on chargeable basis and also failure of the another Contractor for transportation of the armoring blocks from Iova garden to BB-I & BB-II Jetty.

It was also clarified that, the total work was comprising casting, transporting through marine mode and dumping of 1500 Nos. – 50T block, 250 Nos – 25T dolases, 650 Nos. – 6T block and some stones of 1 – 2 Tonne. The scope was somewhat modified with the suggestion of CWPRS, Pune who found that 6 T blocks were not so effective and hence only about 384 blocks of 6T were casted and placed and rest amount was converted to 77 Nos. of 50 T blocks, which was found very effective to dissipate wave energy.

After considering the very peculiar circumstances of this job, which was quite important to make good the subsistence that took place at south breakwater due to Hud-Hud, the Board acknowledges that this inordinate delay was beyond control of either the contractor or department. However, since the work was not completed prior to previous meeting, the Board deferred this proposal for this Board meeting.

It was explained to the Trustees, now the work has been completed in all respects including dumping of all three types of heavy duty concrete blocks on the south breakwater to maintain the design crest level. As the inordinate delay was not due to the failure of contractor, the Board in consideration of the different Supreme Court Judgements and legal opinion given by the Law Section in the agenda of previous meeting has decided to consider payment of escalation.

Finally, Board resolved to approve the following:

- (1) To extend the contract period for the subject work "Special Repairs to South Breakwaters from CH: 0.00m to CH: 1543m including East Round Head of South Breakwater," from 30.11.2017 to 30.09.2018, without levying compensation as per Clause-5 of General Directions and Conditions of the Contract as the delay mentioned above is not attributed to the contractors M/s. S. Satyanarayana & Co., Contractor, Visakhapatnam and
- (2) Considering peculiar facts and circumstances of this case, Board resolved to allow escalation to the contractor as a very special case, though there was no such clause, considering the inordinate delay that took place during execution

period was due to the circumstances, which were beyond control of contractor as well as the Department. The Board further mentioned that this decision should not be taken as precedence.

AGENDA ITEM No. S -6

Sub: Waiver of Penal Interest on Government of India Loans availed by Visakhapatnam Port Trust (VPT) from time to time.

RESOLUTION No. 103 /2018-19

Board resolved the following:

1. To make payment in single instalment in the financial year 2018-19, amounting to Rs.104,00,35,061/- (Rupees One Hundred and four crores thirty five thousand and sixty one only) i.e., (Defaulted Principal Rs.44,69,62,300/-, Defaulted Interest Rs.58,64,97,152/- and penalty of Rs.65,75,609/- @ 0.25 % on penal interest waived off i.e., Rs.263,02,43,521/-), to Pay & Accounts Officer, (Control) O/o The Principal Chief Controller of Accounts, Ministry of Shipping, New Delhi as confirmed by Ministry and O/o The Principal Chief Controller of Accounts, Ministry of Shipping, New Delhi.

AGENDA ITEM No. S- 7

Sub: Restoration / Rehabilitation of Breasting and mooring dolphins of offshore tanker terminal (OSTT) at outer harbor of Visakhapatnam Port Trust – Extension of time– approval – Request.

RESOLUTION No. 104 /2018-19

Board resolved to approve the following:

To extend the contract period for the subject work “Restoration / Rehabilitation of Breasting and mooring dolphins of offshore tanker terminal (OSTT) at Outer Harbour of Visakhapatnam Port Trust.” from 01.05.2017 to 11.08.2018, without levying compensation as per Clause-5 of General Directions and Conditions of the Contract as the delay mentioned above is not attributable to the contractors M/s. Shell refractories & insulations, Kargawal Constructions Pvt. Ltd (JV), Visakhapatnam.

AGENDA ITEM No. S – 8

Sub: Development of Multipurpose Terminal by Replacement of Existing EQ-2 to EQ-5 Berths to cater to 14.00m draft vessels in Inner Harbour of Visakhapatnam Port Trust — Extension of time

RESOLUTION No. 105 /2018-19

Board resolved to approve the following:

To sanction extension of time for the subject work for a period of 120 days i.e., from 23.10.2018 to 19.02.2019 without levy compensation as the delay is not attributable to the contractors as per the clause No. 5 & 2A of general directions and conditions of Contract.

AGENDA ITEM No. S- 9

Sub: Tariff for Harbour Mobile Cranes installed at East Quay and West Quay berths of VPT – Validity of Extension.

RESOLUTION No. 106 /2018-19

Board resolved for the following:

1. To extend the validity of the tariff as communicated vide Order No. TAMP/21/2015-VPT dated 15 May 2015 with due escalations till the completion of contract period i.e. 16.08.2021.
2. To apply the same tariff for the HMCs which are yet to be commissioned as per the TAMP letter No. TAMP/70/2017-VPT dated 03.11.2017
and
3. To inform TAMP accordingly.

AGENDA ITEM No. S – 10

Sub: Lands – Lease of Port Trust lands measuring i) Acs.3.328 cts- steel stock yard and Hull shop ii) Acs.2.34 cts- waterfront Structure and iii) Acs.12.60-CMH areas to Hindustan Shipyard Ltd., renewed on long term lease - Request for annual mode.

RESOLUTION No. 107 /2018-19

Detailed discussion took place, wherein it was clarified to the Trustees that these three plots of land parcels, were earlier on long term lease to M/s.HSL. After expiry of the earlier lease, the proposal for renewal was dealt by the Empowered Committee of MoS and approved further renewal of 30 years. However, Board earlier has decided that the fresh long term lease will be allowed on recovery of upfront rentals for the entire 30 years period which amount to approx. Rs.13.32 crores. Accordingly, M/s.HSL was intimated.

M/s.HSL now requested to allow renewal of lease for 30 years on recovery of lease rentals on annual basis. It was clarified to the Trustees that annual mode of collecting lease rentals is always beneficial, since in this mode VPT would get the benefit of quinquennium SOR revision by TAMP, which is not available in the upfront mode.

After detailed discussion, the Trustees have agreed with the request of M/s.HSL to grant the renewal for the above three plots land on long term lease by recovering rentals by annual mode.

AGENDA ITEM No. S - 11

Sub: Allotment of VPT land on long term lease i.e. (Annual lease rental basis) of 30 years (without renewal option) on as is where is basis to M/s. Srivalli Shipping & Transport Pvt. Ltd., in Zone-Z4, Plot near M/s. Central Warehousing Corporation (42,090 sq.mtrs) for development of Container Freight Station /covered storage for processing of cargo imported/exported through Visakhapatnam Port Trust – Request for sanction of further time.

RESOLUTION No. 108 /2018-19

Board resolved to approve to extend the time for a further period up to 30.11.2019 to complete the construction of warehouses and Commencement of operations in all respects in the subject land since Government of India has stopped allowing licences for setting up of CFS, as a special case, subject to payment of outstanding lease rentals and also the lessee shall execute and register the lease agreement at their cost on or before 31.12.2018.

AGENDA ITEM No. S - 12

Sub: Demurrage on cargo not removed from the wharf.

RESOLUTION No. 109 /2018-19

Board resolved to approve to modify the slab rate with regard to demurrage on cargo not removed from the wharf at Note (6) section 4.6.2 (b) of VPT SOR, and to incorporate the following in the existing SOR at Note (6) section 4.6.2 (b) of VPT SOR.

Demurrage on cargo not removed from the wharfage.

Demurrage shall be levied on cargoes not removed from any berth in the Port after completion of discharge from a Vessel / shipments to a vessel / Barge.

SI No	Description	Amount
i	First 5 Hours	Free
ii	6 th to 10 th Hour	Free- Subject to limiting the free time from 6 th hour to 10 th hour or berthing of subsequent vessel, whichever is earlier, thereafter, Rs.5000 per hour or part thereof, will be charged in this slab
iii	11 th to 15 th hour	5000 per hour or part there of
iv	16 th to 20 th hour	10000 per hour or part there of
v	21 st hour onwards	Rs. 25000 per hour or part there of

Port reserves the right to shift the cargo at the cost of the receiver / shipper.

AGENDA ITEM No. S- 13

Sub: Minimum average output of 12,500 Tons for Dry Bulk Cargoes handled with Harbour Mobile Cranes – Review.

RESOLUTION No. 110 /2018-19

After detailed discussion on the matter, and to motivate the stevedores to improve upon the OSBD of the vessels, and to reduce the TRT of the vessels so as to comply with the Ministry target, the Board resolved to approve the following:

- a) To continue the norms specified in the Board Resolution No.139/2017-18 vide item No. 1 ,and 2 for further period of 06 (Six) months till 30.06.2019 (i.e., 01.01.2019 to 30.06.2019) which is as follows :
 - i) To fix Average Berth Day Output performance for handling of Dry Bulk cargoes through HMC's as "12500 MT Minimum Per Day" excluding Thermal Coal, Yellow Peas and Granite Blocks. If there is a shortfall in handling of cargo as per the above norms respectively, the hirer of the HMC will be charged 50% additional royalty on the Stevedoring & Shore Handling charges for the total tonnage handled by the vessel.
 - ii) When the HMC performs up-to and beyond the OSBD norm of 12500 MT Per Day, then an incentive will be offered @ 50% less royalty on Stevedoring & Shore Handling charges for the total tonnage handled by the vessel and
- b) The above Average Berth Day Output performance will be for a period up to 31.12.2019 and will be reviewed for continuing the same on merits.

AGENDA ITEM No. S- 14

Sub: Mechanization of Coal handling facilities and up-gradation of general cargo berth (GCB) at outer harbour of Visakhapatnam Port to cater 200,000 DWT vessels on DBFOT basis – Non-payment of Royalty on storage charges.

RESOLUTION No. 111 /2018-19

The Board has perused the issue of non-payment of Royalty on storage charges from August 2016 to September 2018 by the Concessionaire M/s VGCBPL and also the request made by the Concessionaire to pay the outstanding amount on Royalty on storage charges in 36 equated monthly payments starting from January 2019 onwards and to waive the interest applicable on the outstanding amount of royalty on storage charges. Further, Board has noted the payment of Royalty on storage charges along with the Royalty amount for the month of October 2018 by the Concessionaire.

Further, Board opined that the request of the Concessionaire to waive the interest component on the outstanding amount on storage charges is not in line with the provisions of the Concession Agreement and thus cannot be accepted. After detailed deliberations, on the contention of the Concessionaire that they are facing difficulties in

operating the terminal due to shortage of rake supplies reasons not attributable to the Concessionaire which is leading to slow evacuation and restricted period of storage leading to high storage charges and the losses suffered, Board agreed to consider the request of the Concessionaire to pay the outstanding amount on royalty on storage charges in 36 equated monthly payments. Further reiterated, the Concessionaire is bound to pay the interest on the delayed payment as per the provisions of Concession Agreement.

The Board after detailed review and deliberations has resolved the following:

- 1) To permit the Concessionaire to pay the total outstanding amount of royalty as on date, on storage charges in 36 equated monthly payments along with interest as per the provisions of the Concession Agreement and start the payment with effect from January 2019.
- 2) The Concessionaire is bound to continue payment of the regular royalty on storage charges every month as per provisions of Concession Agreement.

AGENDA ITEM No. S-15

Sub: Sanitation maintenance of the Karmika Jyothi Bhavan, Dr.B.R.Ambedkar Bhavan Office building, and CHD Call stand Additional toilet Block at West 'Quay' in the premises of Visakhapatnam Port Trust".

RESOLUTION No. 112 /2018-19

Board resolved to approve the following:

1. To entrust the work "Sanitation maintenance of the Karmika Jyothi Bhavan, Dr.B.R.Ambedkar Bhavan Office building, CHD Call stand and Toilet Block at West 'Quay' in the premises of Visakhapatnam Port Trust" for a period of another 1(one) year i.e., from 01-11-2018 to 31-10-2019 for an amount of Rs.4,94,248-00 X 12= Rs.59,30,976/- excluding GST 18%, including 18% GST - works out Rs.69,98,552/-(Rs.59,30,976/-+ Rs.10,67,576/-) under the supervision of CMO Department with same terms and conditions of earlier work order on nomination basis to the Honorary Controller, Sulabh international Social Service Organisation, Hyderabad,
2. If VPT satisfied with the services of Sulabh international Social Service Organisation, Hyderabad order can be placed next year also i.e., 01-11-2019 to 31-10-2020. The same rates , terms and conditions and
3. To meet the expenditure under the Revenue allocation i.e, 044-591-556.

AGENDA ITEM No. S – 16

Sub: Allotment of VPT land measuring 1,67,995sq.mtrs. (Water area of 1,43,425sq.mtrs., and land area of 24,570sq.mtrs) to M/s. VCTPL for construction of Berth, back up area, stacking area and for approach road in connection with extension of the existing Container Terminal at Visakhapatnam Port Trust on DBFOT basis - Handing over of land.

RESOLUTION No. 113 /2018-19

The Trustees have observed that there are two different interpretations of land lease rental to be charged for allotment of land for the PPP project of the extension of container terminal. The trustees also taken into consideration of the opinion given by the Law Section of VPT. In view of huge differences of annual lease rentals as per the two interpretations of the clauses in the Concession Agreement by Nodal Department and Finance Department, Board of Trustees after detailed discussion has resolved to obtain legal opinion from ASG (Additional Solicitor General of India) to ascertain the correct interpretation of the laid down clause in the Concession Agreement about charging of lease rentals.

Board further decided to authorize the Chairman to handover the land after the legal opinion is received from ASG and upon acceptance by the concessionaire. Thereafter put up to Board for ratification.

AGENDA ITEM No. S – 17

Sub: Reduction of Cargo wise OSBD Norms for Handling Dry bulk cargo- Levy of Penalty and awarding incentive.

RESOLUTION No.114 /2018-19

A) Board resolved to approve for proportionate reduction of OSBD Norms on pro-rata basis when less number of hooks are offered i.e., cargo to be loaded/unloaded at VPT in less than 4 hatches only.

For E.g:- The OSBD Norm fixed for Manganese ore is 8000 Tons. This was fixed presuming that the vessel works with 4 hooks.

If a Manganese ore vessel arrives at VPT for discharging from 2 hatches only then the norm will be as follows.

$$8000 \div 4 = 2000 \text{ Tons per hook}$$

$$2 \text{ Hooks} = 2000 \times 2 = 4000 \text{ Tons}$$

Hence the OSBD Norm for such vessels shall be taken as 4000 Tons. Similarly if a Manganese ore vessel arrives to discharge cargo from 3 hatches only, then norm shall be 6000 Tons. The same analogy is applicable to all the dry bulk/break bulk cargoes handled at VPT berths

B) Board resolved to approve that as and when vessels arrive with Cargo to load / to unload Cargo in the nominated / designated hatches for VPT, as per storage,

but the Agents / Stevedores opt to work with less number of hooks, than the nominated hatches for VPT, than the norm fixed for all the nominated / designated hatches for VPT shall be reckoned for calculation of incentive / penalty, but not on the less number of hooks engaged.

AGENDA ITEM No. S – 18

Sub: “Proposed construction of Cruise-cum-Coastal Cargo Terminal along with other infrastructure and amenities at Channel berth area in Outer Harbour of Visakhapatnam Port”.

RESOLUTION No. 115 /2018-19

Board has accorded sanction for the following:

1. For the Development of “Cruise-cum-Coastal Cargo Terminal along with other infrastructure and amenities at Channel berth area in Outer Harbour of Visakhapatnam Port”.
2. To obtain terms of reference for entrusting consultancy services for planning, designing of the structure with preparation of DPR with regard Development of Cruise Berth in place of channel berth site from IITM, Chennai.
3. To invite tender for architectural consultancy services and other infrastructure and amenities among enlisted consultants by IPA.
4. To take up the above work under Major port Trust Act 1963, Section 35.2 a & b.
5. Sanction of remaining fund of 50% of the block estimated cost of Rs.77.00crores i.e., Rs.38.50Crores from VPT internal resources for the “Proposed construction of Cruise-cum-Coastal Cargo Terminal along with other infrastructure and amenities at Channel berth area in Outer Harbour of Visakhapatnam Port”.
6. To meet the expenditure from Capital Plan Schemes under the head of “Development/Strengthening/Modification of Berths/Jetties and Crafts” allocation 779- -018 of RBE 2018-19 and
7. To put up detailed estimated cost of work and consultancy charges for approval subsequently.

AGENDA ITEM No. S - 19

Sub: Study on Drift pattern to avoid siltation underneath Fire pump house at LPG jetty in Outer Harbour of Visakhapatnam Port.

RESOLUTION No. 116 /2018-19

Board is resolved for the following:-

1. To entrust the “Study on Drift pattern to avoid siltation underneath Fire pump house at LPG jetty to National Institute of Ocean Technology (NIOT)”, Chennai at a cost of Rs 5,75,000/- (excluding GST and other statutory duties/ taxes as may be applicable in law from time to time) under u/s 34 of MPT act 1963 and
2. To meet the expenditure from the Budget code 041-687-751 of Research and Development expenses under the head of account of Engineering Department in BE 2018-19.

AGENDA ITEM No. S - 20

Sub: Development of West Quay North (WQ-7 & WQ-8) berth in inner harbor of Visakhapatnam Port (For leftover works) – Extension of time from 11.03.2018 to 23.10.2018 without L.D.

RESOLUTION No. 117 / 2018-19

Board resolved to approve the following:

- i) To consider extension of time from 11.03.2018 up to 23.10.2018 without levying the compensation for delay, as the delay is not attributable to the contractors as per the provisions of Clause No. 28 of Section 3: Conditions of contract, Clause No. 5 and Clause No.2A of General conditions of contract; and
- ii) To put up the proposal separately on applicability of payment and quantity certification in respect of hard strata removal which is under examination by PMC;

AGENDA ITEM No. S-21

Sub: Development of West Quay-6 Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling of Dry Bulk Cargo on DBFOT basis – Review and Decision.

RESOLUTION No. 118 /2018-19

The Board upon detailed review of the project status has noted all the outstanding dues payable by the Concessionaire and expressed its concern on the inordinate delay in royalty payment and other dues. The Board has also noted the issues and difficulties of the terminal as expressed by the Concessionaire in complying the obligations. It is also noted by the Board that the revenue accruing on the operations of terminal is not sufficient to meet the obligations as per priority fixed in the escrow agreement and he is not able to meet 100% debt repayments which is given higher priority than royalty payment leading to classification of asset as NPA. It is also noted to that the Chairman during consultation meeting has convinced the lenders to share the revenues equally towards debt repayment and royalty to be paid to Concessioning authority after deducting 10% of revenue for operational expenses by the Concessionaire. Further the Board in the light of the notification of tariff by TAMP for the ten additional cargoes as proposed by concessionaire and has opined that now there is adequate demand for this

terminal to handle higher volumes of cargo and the Concessionaire shall explore all possibilities for handling the required volumes to generate higher revenues for meeting the demand. The Concessionaire shall pay all the outstanding payments with interest due to the Concessioneing Authority by taking advantage of handling additional cargoes in addition to the designated cargo tending to increased volumes and revenue generation.

The Board after detailed discussions and review on the project status has resolved as under;

- 1) To give 6 months time and review the performance of the terminal during this and the compliance of the obligations of the Concessionaire to cure the event of defaults as per Consultation Notice.
- 2) To take appropriate action thereafter with the notice of the Board in line with the provisions of Concession Agreement.

AGENDA ITEM No. S-22

Sub: Development of East Quay-1 (EQ-1) berth by replacing the existing EQ-1 berth and part of EQ-2 berth in the Inner Harbour of VPT on DBFOT basis
–Review and Decision.

RESOLUTION No. 119 /2018-19

The Board has observed that the Concessionaire has not complied with the earlier directions of the Board dated 15.06.2018 with regard to curing the event of default against the Consultation Notice issued by the Authority. Further, the Board reviewed the proposal putforth by the Concessionaire M/s.AVCTPLduring the review meeting dated 10.10.2018 and their submission vide letter dated 05.11.2018 towards curing the event of defaultsin respect of the deficient volumes of cargoes as per MGC of the third year i.e., 1.60 MMTPA as per Concession Agreement by compensating the shortfall quantity in achieving 1.60 MMTPA in any of the first three years in view of the constraints / restrictions faced by the Concessionaire due to ban in handling import cargo and also suffering from cash losses and the contention of the Concessionaire that Consultation Notice issued by the Authority is acting as bottle neck to approach the customers for long term contracts. While reviewing further on the Consultation notice and the proposal of the Concessionaire put forth during the meeting on the MGC for curing the events of defaults and also keeping in view all the difficulties as expressed by the Concessionaire and to make project viable and sustainable, the Board has reviewed the issues considering the following:

- a) Board observed that the Concessionaire has handled cargo volume of 1.11 MMT during the first year MGC period 2014-15 as against the indicative norm of 1.60 MMT. In case the proposal of the Concessionaire to compensate and to pay the deficit MGC volume of the first year i.e., 0.49 MMT (1.60MMT- 1.11MMT) to cure the event of default is considered, then the Concessionaire still undergoes event of default as the Concessionaire ought to meet the MGC volumes in next three years ie., 2nd, 3rd and 4th years commencing 2015-16, 2016-17 and 2017-18 respectively. Since the Concessionaire has handled only 0.47 MMT in the 2nd year and ‘Nil’ in the 3rd year and is not likely to meet the required MGT in the 4th year as the Concessionaire recommenced operations from June 2018.

- b) Board observed that the Concessionaire has handled cargo volume of 0.47 MMT during the 2nd year MGC period 2015-16 as against the indicative norm of 1.60 MMT. In case the Concessionaire compensates and pays the deficit MGC volume of the 2nd year i.e., 1.13 MMT (1.60MMT- 0.47MMT) to cure the event of default, then the Concessionaire is likely to cure the event of default as the Concessionaire is left with sufficient time to meet the MGC volumes in the 5th year i.e., 2018-19 although 3rd and 4th years i.e., 2016-17, 2017-18 respectively were already concluded and the Concessionaire has handled only 'Nil' in the 3rd year and 0.73 MMT in the 4th year.
- c) Further, the Board has also noted the delay of the Concessionaire in payment of outstanding dues towards royalty on storage charges and non-compliance of the earlier Board directions dated 15.06.2018 for submission of concrete proposal and expressed its concern on the delay. While reviewing further, on the proposal of the Concessionaire letter dated 05.11.2018 on undertaking and repayment schedule on the short payment revenue share towards storage charges for financial year 2015-16 as per Special Audit and the reasons explained by the Concessionaire for such non-payment on the grounds that the Concessionaire has not collected the charges from the customers. Further, the Board opined that the proposal of the Concessionaire to allow a moratorium period of one year from withdrawal of Consultation notice and to pay revenue share on storage in 24 monthly installments thereafter is not in line with the provisions of the Concession Agreement and thus cannot be accepted.

Board after detailed discussions and review and keeping in view of the sustainability of the project has resolved as follows;

- 1) To direct the Concessionaire to compensate and pay the deficit MGC volume of the 2nd year i.e., 1.13 MMT (1.60MMT- 0.47MMT) to cure the event of default, as a Special Case, or else the Consultation Notice shall prevail in case of non-compliance of MGC in 5th year.
- 2) In compliance of the above Board directions at (1), the Consultation Notice issued by the Authority for curing the event of defaults by the Concessionaire may be withdrawn subject to condition that the concessionaire gives commitment to pay shortfall of royalty payment on storage charges with interest in 36 monthly instalments, starting from January 2019.

AGENDA ITEM No. S – 23

Sub: Levy of Crane Berth Hire on per GRT per hour part thereof for the vessels berthed at EQ-7 berth for using ELL wharf cranes due to breakdown of HMC or any other reason.

RESOLUTION No. 120 /2018-19

Board resolved to approve for implementing the following clarifications basing on the practical cargo handling scenario, with regard to levy of berth hire charges for the vessels berthed at EQ-7:

- i) In case of bulk cargo vessel berthed at EQ-7 engages Harbour Mobile Cranes (HMC), and due to breakdown of Harbour Mobile Crane or for any other reason, if the vessel resorts to use ELL wharf crane(s), then “Crane Berth Hire” will be collected for the total hours or part thereof for the hours ELL Wharf Crane is used and
- ii) In case of bulk cargo vessels berthed at EQ-7, if only ship cranes or Harbour Mobile Cranes (HMC) or both are engaged for entire cargo handling operations, then Non-crane Berth Hire Charges will be levied for the total stayal of the vessel at EQ-7.

AGENDA ITEM No. S – 24

Sub: Development of West Quay-North (WQ-7) and (WQ-8) berth In the Inner Harbour of Visakhapatnam Port- Conciliation committee Report – Decision.

RESOLUTION No. 121 /2018-19

On the request of the Trustees, CE made a brief powerpoint presentation about the project, failure of M/s. DBM to adhere to time schedule, termination of contract and thereafter the arbitration proceedings and conciliation efforts made as per NITI Aayog guidelines. Trustees have noted that though there was serious inability of the contractor M/s.DBM to progress as per schedule, which should be the sole clause for termination, however, due to the issues mentioned by VPT about non-payment of balance 5% of contract value as performance bank guarantee also in the termination notice, the ground of termination becomes weak from legal point of view.

Trustees further noted that due to incorporation of the non-payment of 5% performance BG was another clause for termination, the arbitrators have decided the proceedings against VPT and the award was given in favour of M/s.DBM.

It was explained to the Trustees as per NITI Aayog OM, though VPT had filed appeal against the arbitration award, if the party request VPT to pay, 75% of the award amount plus interest has to be paid to them on obtaining equal value of BG and through Escrow account mechanism. Since the present value of award is more than Rs.58 crores (including interest), if DBM asks for 75% payment, the outgo from VPT will be about Rs.44 crores (approx.). Whereas, the conciliation committee have negotiated with the awardee who came up with a revised proposal of Rs.27.5 crores as full and final settlement.

It was also noted by the Trustees that, there may be further scope of negotiation to reduce this amount.

After detailed discussion, the trustees decided that before any decision is taken as to whether the Conciliation Committee report will be accepted after further negotiation to reduce the claim and settle it once for all or to pursue the appeal full-fledgedly, it is necessary to obtain legal opinion from ASG (Additional Solicitor General of India) on the merit of VPT’s appeal filed against arbitral award to ascertain the strength and weaknesses of different heads on which award was given by the Arbitration Tribunal including counter claim of VPT.

It was further decided by the trustees that on obtaining legal opinion from ASG, it shall be placed before the Board for further decision.

AGENDA ITEM No. S - 25

Sub: Corporate Social Responsibility (CSR) for Major Ports – CSR proposals discussed during the CSR

RESOLUTION No. 122 /2018-19

Board resolved for the following:

Statement No.1: Statement showing the status of ongoing CSR Activities and their progress reviewed by CSR Sub Committee Meeting held on 06.11.2018, submitted for information has been perused by Port Trust Board (**ANNEXURE-1**) appended to the Agenda.

Statement No.2 Statement showing the CSR proposals ratified during the CSR Sub Committee Meeting held on 06.11.2018, for information has been perused by the Port Trust Board (**ANNEXURE-II**) appended to the Agenda.

Statement No.3 Statement showing the new CSR proposals discussed during the CSR Sub Committee Meeting held on 06.11.2018, has been perused by the Port Trust Board (**ANNEXURE-III**) appended to the Agenda.

Statement No.4 Statement showing the 14 new CSR proposals for the year 2018-19 and also four CSR proposals for the financial year 2019-20 agreed during the CSR Sub Committee Meeting held on 06.11.2018 and to be sent to the Ministry for approval are submitted for the approval of the Port Trust Board (**ANNEXURE-IV**) appended to the Agenda.

and

Statement No.5 Statement showing the availability of CSR Fund to meet the expenditure of new proposals agreed in the CSR Sub Committee Meeting held on 06.11.2018, for approval of the Port Trust Board and resolved to approve to inform the same to the Ministry (**ANNEXURE-V**).

During the discussions the Titli Cyclone affected badly in Srikakulam District was discussed by the Board and the request of the Collector was also perused by the Board and decided to allocate Rs.01.00 Crore (Rupees One Crore only) for providing community hall-cum-Cyclone shelters in the District for rehabilitation and other purposes.

AGENDA ITEM No. S -26

Sub: Lands – Allotment of VPT land measuring 300 Sq.yards for erection of new 33/11KV Indoor Substation situated on the North side of Sports Complex at SG Puram - Request.

RESOLUTION No. 123 /2018-19

Board Resolved to approve to allot VPT land measuring 300 Sq.Yards situated on the North side of Sports Complex, at SG Puram as shown in Plan No. VPT/EST/SK/53/2018 in favour of APEPDCL for a period of 30 years, subject to payment

of lease amounts under industrial category, on upfront mode basis subject to execution of lease agreement under Sec.34 (i) of MPT Act 1963.

AGENDA ITEM No. S-27

Sub: Stressed PPP Project – GCB (M/s VGCBPL) terminal.

RESOLUTION No. 124 /2018-19

Board has taken note of the directions given in the previous Board meeting held on 03.09.2018 to obtain concrete proposals from the concessionaires viz., M/s VGCBPL, M/s AVCTPL and M/s WQMPL, as per the directions of the Ministry in order to ascertain the classification of stressed projects as per the report of the Committee constituted by M/s IPA which was approved by the Ministry and to take appropriate further action accordingly. On the above directions, Board observed that the Concessionaire M/s. VGCBPL vide letters dated 17.10.2018, 02.11.2018 and 12.11.2018 has submitted a detailed proposal duly citing that they are meeting the criteria for classification of “Stressed Project” based on the Ministry’s order dated 11.07.2018. Further, Board also noted the remarks of the Departments concerned on the submittals of the Concessionaire on the classification of the said project as “Stressed project and observed that, the project is meeting the requirements as specified in the Ministry’s order dated 11.07.2018. It was clarified to Board that a consensus has been arrived between both the Concessionaire and VPT to increase the free time for storage of cargo from the existing 10 days as stipulated in the Concession Agreement to 20 days, basing on the available data of dwell time for the past six months as submitted by the Concessionaire vide letter dated 15.11.2018, in compliance to the directions of the Ministry.

After detailed review and deliberations, the Board is of the opinion to consider the proposal of the Concessionaire M/s VGCBPL for classification of the said project as “Stressed project” and resolved the following:

1. To consider the proposal of M/s VGCBPL for classification of the said project as “Stressed project” and to treat the project as stressed project in compliance to the directions of Ministry’s order dated 11.07.2018.
2. To approach TAMP under the provisions available at Article 21.9 of the Concession Agreement covering “Amendments, Modifications or Alterations” with an appropriate proposal for rationalization of storage charges in consultation with the Concessionaire M/s VGCBPL so as to achieve the ARR as per the TAMP guidelines/notifications.
3. To fix the free time for storage of cargo from the existing 10 days as stipulated in the Concession Agreement to 20 days as the same is mutually agreed by both Concessionaire and the Concessioneing Authority for rationalization of storages charges in the TAMP proposal and to inform the Concessionaire to submit a detailed proposal to TAMP through VPT duly justifying the reasonableness of increasing the storage period for rationalization of storage charges.

4. To carry out necessary modifications as per the provisions available under Article 21.9 of the Concession Agreement covering “Amendments, Modifications or Alterations” as per the order of the Ministry dated 11.07.2018.
5. To consider the proposal for a period of one year and to review thereafter.

AGENDA ITEM No. S – 28

Sub: Stressed PPP Project – EQ- 1 (M/s.AVCTPL) Terminal

RESOLUTION No. 125 /2018-19

The Board has taken note of the review in the agenda item No. S-22 in respect of the subject project on the issue pertaining to Consultation Notice issued by the Authority and the directions of the Board dated 15.06.2018 to be complied by the Concessionaire for curing the event of default. Board opined that the proposal of the Concessionaire with regard to Stressed Project can only be considered after curing of the events of defaults as per the directions of the Board and withdrawal of Consultation Notice issued by the Authority. However, to save time and subject to compliance of the directions of the Board cited above, the proposal of the Concessionaire towards meeting the criteria of classification of the project as “Stressed Project” was examined based on the Ministry’s order dated 11.07.2018. Further, Board also noted the remarks of the Departments concerned on the submittals of the Concessionaire on the classification of the said project as “Stressed project and observed that, the project is meeting the requirements as specified in the Ministry’s order dated 11.07.2018. In addition to the above, Board also noted that a consensus has been arrived between both the Concessionaire and the Concessioneing Authority to increase the free time for storage of cargo from the existing 5 days as stipulated in the Concession Agreement to 20 days, in line with the free time given with respect to other Coal handling terminal and to have a unified approach in compliance to the directions of the Ministry.

After detailed review and deliberations, the Board is of the opinion to consider the proposal of the Concessionaire M/s AVCTPL for classification of the said project as “Stressed project” and resolved the following subject to the compliance of the Concessionaire to cure the events of defaults as per the directions of the Board and subsequent conditional withdrawal of Consultation Notice by the Authority:

1. To consider the proposal of M/s AVCTPL for classification of the said project as “Stressed project” and to treat the project as stressed project in compliance to the directions of Ministry’s order dated 11.07.2018.
2. To approach TAMP under the provisions available at Article 21.9 of the Concession Agreement covering “Amendments, Modifications or Alterations” with an appropriate proposal for rationalization of storage charges in consultation with the Concessionaire M/s AVCTPL so as to achieve the ARR as per the TAMP guidelines/notifications.
3. To fix the free time for storage of cargo from the existing 5 days as stipulated in the Concession Agreement to 20 days as the same is mutually agreed by both Concessionaire and the Concessioneing Authority for rationalization of storages

charges in the TAMP proposal and to inform the Concessionaire to submit a detailed proposal to TAMP through VPT duly justifying the reasonableness of increasing the storage period for rationalization of storage charges.

4. To carry out necessary modifications as per the provisions available under Article 21.9 of the Concession Agreement covering “Amendments, Modifications or Alterations” as per the order of the Ministry dated 11.07.2018.
5. To consider the proposal for a period of one year and to review thereafter.

AGENDA ITEM No. S –29

Sub: Up-gradation of the existing OHC mechanized Outer Harbor facility (Phase – I) and creation of new mechanized Inner Harbour facility (Phase – II) at Visakhapatnam Port Trust for Iron Ore Handling on DBFOT basis – Issues pertaining to the project.

RESOLUTION No. 126 /2018-19

The Board has gone through the clarifications furnished by the Independent Engineer M/s.Mecon Limited on the issues of dredging activity, stockyard strengthening, details on escrow, actual project cost and railway agreement vide their letter dated 30.10.2018 and also the commitments made by the Concessionaire on the above said issues vide their letter dated 25.10.2018 and conclusions drawn in the review meeting dated 31.10.2018 and taken note of the Completion Certificate for the project issued by the Independent Engineer dated 29.09.2018. However, Board also observed that one of the obligation of concessionaire to carryout dredging (-) 20.0m is still pending. Further, the Board has also observed that, the Concessionaire has not submitted the undertaking to carry out dredging after initial report of IIT(M) duly taking up the necessary strengthening of berth, if any, as may be required as per Concession Agreement.

It was clarified to the Board that the Concessionaire has raised certain apprehensions on the dredging issue to be carried out as per provisions of the Concession Agreement, the same is being referred to IIT(M), Chennai, and the final report from them are awaited. Board observed that the issue pertaining to dredging activity to be carried out by the Concessionaire is still pending, due to final report of IIT(M), Chennai and also there is no clear cut consent and undertaking from the Concessionaire to carry out the required dredging activity unconditionally as per the provisions of the Concession Agreement. After detailed deliberations, the Board has resolved to defer consideration of the proposal and directed to submit a detailed proposal to the next Board after receipt of final report from the IIT(M), Chennai with regard to the dredging activity to be carried out by the Concessionaire and the undertaking of the Concessionaire, to move forward as per the provisions of the Concession Agreement. Board further decided to inform the Independent Engineer (IE) and concessionaire accordingly.

AGENDA ITEM No. S – 30

Sub: Payment of property tax to GVMC - Draft Audit Para - Avoidable Extra expenditure of Rs.49.09 crores due to payment of property tax on annual gross revenue instead of Annual rateable value basis.

RESOLUTION No. 127 /2018-19

A brief background of the payment of property tax issue, right from the beginning from early 60's were detailed before the Trustees including how the earlier property tax was paid on the ratable value which was prevailing in 60s were modified to become 2% of gross annual revenue of the Port and subsequently to 4% ground annual revenue.

Trustees also deliberated on the audit para raised by C&AG audit about the issue of extra expenditure incurred by VPT on payment of property tax when compared to other Major Ports. It was explained to the Trustees that VPT has already taken up with Government of Andhra Pradesh for repealing section 8 (3) (A) of the Greater Visakhapatnam Municipal Corporation Act 1979 removing the disparity between VPT and other central PSUs and non-major ports operating within GVMC area about quantum of property tax payment.

It was also explained to Trustees that VPT has also requested Government of AP to declare VPT as a local body like it did for Gangvaram Port in which case VPT will only be required to pay 33% of the property tax. Both these issues are pending with Municipal Administration and Urban Development Department of Govt. of AP for amendment of the GVMC Act.

Trustees also recognized that till the modification of the concerned section of the GVMC Act is taken place and notified, VPT may not escape from payment of property tax @ 4% of gross revenue (out of which 49% for direct payment to GVMC and rest 51% for spending to improve infrastructure which will benefit VPT).

Finally, Board requested Chairman to continuously pursue with State Government to get Act amended and reply the Government of Audit and the Ministry appropriately.

AGENDA ITEM No. S-31

Sub: Extension of the existing Container Terminal at Visakhapatnam Port Trust on DBFOT basis.

RESOLUTION No. 128 /2018-19

The Board has gone through the submittals of the Concessionaire M/s.VCTPL towards compliance of Conditions Precedent under Article-3 of the Concession Agreement in addition to the submittals of the Concessionaire with regard to the financial closure and the undertaking submitted by the Concessionaire M/s. VCTPL and the promoter M/s. ICT& ITL vide letter dated 13.11.2018 for commitment to fund the project pending finalization of the lender and to treat the same as financial closure and to issue the letter of award of Concession in the light of fulfillment of all the compliances. Board further noted that the submittals of the Concessionaire in compliance to all other

conditions precedent cited at Article-3.1(a) (i) to (x) are in line with the requirement as certified by respective departments. On the issue pertaining to compliance of Conditions Precedent by the Authority cited at Article -3.1(b) (i) & (ii), Board noted that the clearances required for the project are obtained by the Authority and the land required for the project is already identified and to be handed over to the Concessionaire.

Further, the Board also noted the review carried out on the issue pertaining to payment of lease rentals as mentioned in Article-9 of the Concession Agreement and a decision taken in respect of Agenda item No.16 to refer the matter to ASG for a considered view on the applicability of the land lease rates for the project payable by the Concessionaire.

The Board after detailed review and discussions has resolved as follows;

- 1) To consider the proposal of the Concessionaire basing on the undertaking submitted by the promoter M/s. ICT& ITL vide letter dated 13.11.2018 for commitment to fund the project, pending finalization of lender and to treat the same as financial closure in compliance to Article -3.
- 2) To accept all other submittals of the Concessionaire cited at Article 3.1(a) (i) to (x) towards compliances of the Conditions Precedent as the same are in line with the provisions of the Concession Agreement.
- 3) To handover the required land to the Concessionaire identified for the project as per the obligations of the Concession Agreement by the Authority, after deciding the land lease rentals based on ASG's opinion.
- 4) To avail the services of the appointed Independent Engineer M/s.Tata Consulting Engineers Limited from the date of award of Concession.
- 5) To authorize Chairman to fix the date of award of Concession for the project basing on the outcome of the opinion of ASG as cited at (3) above and acceptance of ASG's view by the Concessionaire.

AGENDA ITEM No. S -32

Sub: Concession in Railway Terminal Charges in respect of mechanically tipped Iron Ore trains handled at Ore Handling Plant (OHP) operated by M/s. EVTL.

RESOLUTION No. 129 /2018-19

Keeping in view the concession extended by M/s. EVTL @ 68.99% up to 31.03.2019 on the slabs notified by TAMP towards Storage Charges and also in view of the representation from various Iron Ore exporters such as M/s. NMDC, M/s. JSW Steel Ltd., etc. the VPT Board resolved to consider for extending 50% concession in Railway Terminal Charges for the Mechanically tipped Iron Ore Rail traffic to the consignees mentioned in the RRs (chargeable tonnage) as per the provisions under Section 53 of MPT Act, 1963 for the period beyond 31st December 2018 and up to 31.12.2019 and to review thereafter.

AGENDA ITEM No. S - 33

Sub: Laying of submarine cable for extension of shore power supply to OSTT Berth from LPG substation.

RESOLUTION No. 130 /2018-19

Board has accorded approval for the following:

1. To take up the execution of "Laying of submarine cable for extension of shore power supply to OSTT Berth from LPG substation.
2. To the tentative estimate amounting to Rs.17,68,00,000/-(Rupees Seventeen crores and sixty eight lakhs only)(Approx) for execution of the work Laying of submarine cable for extension of shore power supply to OSTT Berth from LPG substation.
3. To off-load the subject work to an Outside Agency by calling open tenders on e-platform beside publishing in leading newspapers as per the norms for wide publicity and
4. To meet the expenditure from Plan New Scheme namely Development of Mechanical, Marine, Electrical and electronic works for the year 2019-20 of the Budget Book under allocation No 779- 22 -018.
