

CONCESSION AGREEMENT

BETWEEN

**BOARD OF TRUSTEES FOR VISAKHAPATNAM PORT
(THE CONCESSIONING AUTHORITY)**

AND

**SEW VIZAG COAL TERMINAL PRIVATE LIMITED
(THE CONCESSIONAIRE)**

FOR

**DEVELOPMENT OF EAST QUAY-1A(EQ-1A) BERTH ON SOUTH SIDE OF
EQ-1 BERTH FOR HANDLING THERMAL COAL AND STEAM COAL IN
THE INNER HARBOUR OF VISAKHAPATNAM PORT ON
DESIGN, BUILD, FINANCE, OPERATE AND TRNASFER (DBFOT) BASIS**

DATED: 3rd February 2012



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CONCESSION AGREEMENT

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Sl. No.: 1538 Date 30/01/2012.
Sold To : Eshwara Krishna
: Ratna Prasad. R/o. Hyd
To Whom : SEW Vizag Coal Terminal Pvt Ltd.
Reg No. 078503.

KRAMA CHANDRAVATHI
Licenced Stamp Vendor
LIC No.16-11-27/1999
REN. No.16-11-5/2011
H.No.6-3-387, Near Himalaya Book World
Beside Petrol Pump Punjagutta
HYDERABAD (SOUTH) DISTRICT
PHONE NO.23351799, 9392490025

CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT is made at Visakhapatnam, Andhra Pradesh on this the ...03rd ...day of ...February...2012

BETWEEN:

1. **BOARD OF TRUSTEES** for VISAKHAPATNAM PORT, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at Visakhapatnam, Andhra Pradesh, India, hereinafter referred to as "the **Concessing Authority**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

AND



2. ~~SEW~~ Vizag Coal Terminal Private Limited, a company registered under the Companies Act, 1956, and having its registered office at 6-3-871, 'Snehalata', Green Lands Road, Begumpet, Hyderabad - 500016 Andhra Pradesh, INDIA Herein after referred to as "the Concessionaire" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns).

WHEREAS:

- (A) The Concessioneing Authority is desirous of implementing a Project (as defined hereinafter) for planning, engineering, designing, finance, construction, development, operation & maintenance of East quay(EQ-1A) berth on south side of EQ-1 berth in inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis through private sector participation;
- (B) In or about July 2009, 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;
- (C) In response to the invitation referred to in recital 'B' above, the Concessioneing Authority received applications from various parties including the application dated 25th January 2010 submitted by the Applicant / Consortium in accordance with the Request for Qualification;
- (D) The Concessioneing Authority, after evaluating all the applications, shortlisted 7 (seven) 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;
- (E) In response to the Request for Proposal, the Concessioneing Authority received proposals from the shortlisted applicants including the one submitted by the Applicant / Consortium;



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- (F) 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 19th March 2011.

 - (G) The Applicant / Consortium has/have incorporated the Concessionaire as a special purpose company in India, under the Companies Act, 1956 to implement the Project;

 - (H) 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: -

“Access / Entrance channel” means the waterway that gives access or passage to harbour, channels, berths etc. Visakhapatnam Port has an Outer entrance channel, which is located on the east side of the breakwaters. Vessels bound for EQ-1A berth utilise the same channel including Outer Turning Basin, Inner Channel, Inner Turning Basin and Northern Arm of Port Waterways.

“Actual Project Cost” means the actual capital cost incurred by the Concessionaire on the Project and / or the Project Facilities and Services as certified by the Statutory Auditor and if the same exceeds the Estimated Project Cost and/or does not form part of the Financing Plan submitted prior to Financial Close, the amount of the Estimated Project Cost or in the Financing Plan as the case may be increased by the amount(s) approved in writing by the Concessioneing Authority.

“Additional Auditor” has the meaning ascribed to it in Article 9.4.

“Additional Cost” means the additional capital expenditure which the Concessionaire has or would be required to incur and which has arisen as a result of Change in Law.

“Affiliate” 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



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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, 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 in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in India, including statutes, rules, regulations, directions, bye-laws, notifications, ordinances and judgments having force of law, or any final interpretation by a Court of Law having jurisdiction over the matter in question 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.

"Applicant" means M/s. SEW-PRSB CONSORTIUM, C/o: SEW Infrastructure Limited, 6-3-871, 'Sachalata', Greenlands Road, Begumpet, Hyderabad-500016 (A.P.).

"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 no. 1303911BG0000101 dated 17.01.2011 furnished by the Applicant / Consortium along with its Bid and



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extended subsequently.

“Board” means the Board of Trustees for the Port of Visakhapatnam.

“Book Value” means the aggregate written down value as on the date of issue of the Termination Notice in the books of the Concessionaire of (i) the tangible assets (including capital works in progress) forming part of, fixed or attached to the ground, created, installed or provided by the Concessionaire and comprised in Project Facilities and Services, which in the reasonable judgement of an Expert are capable of being put to use / utilized by the Concessioneing Authority, and (ii) the moveable assets including cargo handling equipment belonging to the Concessionaire, which the Concessioneing Authority agrees to take over, in accordance with Indian Accounting Standards using depreciation rates as set forth in the (Indian) Companies Act, 1956, as applicable from time to time.

“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.

“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).



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"Concession Period" means the period of the Concession specified in Article 2.2 of this Agreement.

"Conditions Precedent" shall mean the conditions prescribed in Article 3 of this Agreement.

"Consortium" means the consortium consisting of (i) M/s. SEW Infrastructure Limited, and (ii) M/s. Pembinaan Redzai Sdn Bhd formed, to implement the Project.

"Construction Phase" means the period from the Date of Award of Concession to the Date of Commercial Operation.

"Construction Works" means all works, equipments 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 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, including the Management Contractor.

"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.



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"Date of Commercial Operation" means the date on which the Concessionaire receives the Completion Certificate in accordance with the provisions of this Agreement / MPT Act.

"Day" means the 24 (twenty four) hour period beginning and ending at 12:00 midnight Indian Standard Time.

"Debt Due" means the aggregate of the following sums representing the amounts advanced by the Lenders towards Actual Project Cost, expressed in Indian rupees as may be outstanding and payable to the Lenders under the Financing Documents on the Transfer Date:

- (a) the principal amount of the debt including any subordinated debt provided by the Lenders under the Financing Documents for financing the Project ("the Principal") but excluding (i) working capital loans; (ii) any part of the Principal that had fallen due for repayment one year prior to the Transfer Date, if the Transfer Date is related to expiry of the Concession Period or any part of the Principal that had fallen due prior to the Termination Notice, if the Transfer Date is related to termination prior to the expiry of the Concession Period; and (iii) any debt that has been rescheduled or refinanced, unless such repayment had been rescheduled or refinancing made with the prior consent of Concessioneing 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 one year prior to the Transfer Date, and (ii) penal interest or charges, payable under the Financing Documents to any Lender.

"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.



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“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.

“Environmental Law” means any statute, rule, regulation, ordinance, code, guideline or policy having the force of law, in each case, applicable to the Project now or hereafter in effect and any applicable judicial or administrative interpretation, pronouncement, order, decree or judgment, relating to the environment, health and safety.

“Equity” means the paid up share capital of the Concessionaire representing the equity component of the Actual Project Cost, as capitalized in the books of the Concessionaire and duly certified by the Statutory Auditors.

“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 Concessions Authority and the Lenders / Lenders representative substantially in the format set out in Appendix 16 hereto.



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“Estimated Project Cost” means the sum of Rs. 3133.90 million (Rupees three thousand one hundred thirty three decimal nine zero million only) being the cost of the Project as estimated by the Concessioneing Authority and disclosed in the Request for Proposal.

“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).

“Expert” means any person, body or organization of repute with recognized technical / professional expertise in respect of any field, matter or subject relevant for the purpose of this Agreement.

“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 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 1st April and ending on 31st March.

“Financing Documents” means, collectively, the documents executed in favour of or entered into with the Lenders, by the Concessionaire in respect of the Financial Assistance relating to the financing (including any re-financing) of the Actual Project Cost and includes any document providing security for the Financial Assistance.

“Financing Plan” means the financing plan as envisaged under the Financing Documents for financing the cost to be incurred for implementing the Project



submitted by the Concessionaire in accordance with Article 3.1(2)(vii).

“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.

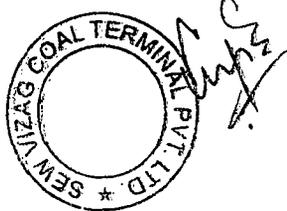
“Government Authority” means GoI, any state government or any governmental department, commission, board, body, bureau, agency, authority, instrumentality, administrative body, at central, state, or local level, having jurisdiction over the Concessionaire, the Port’s Assets, the Project Facilities and Services or any portion thereof, but shall not include the Concessions Authority.

“Gross Revenue” means all the revenues chargeable by the Concessionaire from the Project / Project Facilities and Services.

“Independent Engineer” means a Person appointed in accordance with Article 5.1 for supervision and monitoring of compliance by the Concessionaire with the Project Requirements, 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.

“Insurance Cover” shall have the meaning ascribed to it in Article 12.1(c)(ii).



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"Lenders" means any Persons based in India or abroad providing Financial Assistance under the Financing Documents and includes a trustee for the holders of debentures / or other debt instruments issued by the Concessionaire to finance the Project.

"License Fee" shall have the meaning assigned to it under Article 9.1(a).

"Management Contract" not applicable.

"Management Contractor" not applicable.

"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% (fifty percent) of the directors, managers, partners or other individuals exercising similar authority with respect to the Concessionaire.

"Material Adverse Effect" means material adverse effect on (a) the ability of either Party to exercise any of their rights or perform/discharge any of their duties / obligations under and in accordance with the provisions of this Agreement and / or (b) the legality, validity, binding nature or enforceability of this Agreement.

"Milestone Dates" means the dates for completion of specified Project activities as contained in the Project Schedule.

"Minimum Guaranteed Cargo" shall have the meaning ascribed to it in Article 7.1(a)(xii).

"Month" means the calendar month as per the Gregorian calendar.



"MPT Act" means The Major Port Trusts Act, 1963 as amended, supplemented, re-enacted or replaced from time to time.

"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 and shall include the Management Contract.

"Operations Phase" means the period from the Date of Commercial Operation to the expiry / termination of the Concession Period.

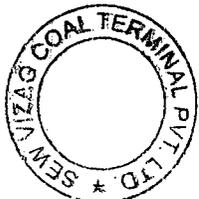
"Operations and Maintenance Standards" means the minimum standards of operations and maintenance set out in the annexure to Appendix 4 with regards the Project Facilities and Services.

"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 15 with regards the Project Facilities and Services.

"Performance Guarantee" shall mean the 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.



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“**Person**” means any individual, company, corporation, partnership, joint venture, trust, unincorporated organization, government or governmental authority or agency or any other legal entity.

“**Pilotage**” means Pilotage of vessels from Pilot Boarding Ground i.e., outside the breakwater, to the required berths and vice-versa by the licensed Pilot, who is aware and conversant of local conditions to ensure safe navigation with the help of necessary tugs.

“**Political Event**” means the Force Majeure Events set out in Article 14.3.

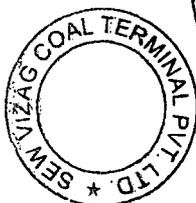
“**Port’s Assets**” means the assets set out in Appendix 2, belonging to the Concessioning Authority.

“**Port Limits**” means the boundary of the Visakhapatnam port. It is the waterfront area bounded by the coordinates 17°45’00”N / 83°21’08.5”E, 17°45’00”N / 83°30’21.24”E, 17°34’5.02”N / 83°21’54.51”E, 17°38’34.83”N / 83°15’38.25”E and notified vide Gazette Notification No. 254, dated June 03, 2003 and as amended, supplemented or replaced from time to time.

“**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 Capacity**” means the capacity of the Project Facilities and Services to handle 7.36 million tonnes of bulk cargo per annum.

“**Project Contracts**” means collectively this Agreement, the EPC Contract, O&M Contract and any other material contract (other than the Financing Documents, 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.



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“Project Facilities and Services” means the facilities and services as set out under the Project Requirements, to be provided by the Concessionaire during the Concession Period, in accordance with this Agreement.

“Project Requirements” means the minimum requirements as to the construction, operation and maintenance of the Project and provision of Project Facilities and Services set out in Appendix 4.

“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.

“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 26.08.2010 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 August 2009 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 gross 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 alongwith the statement of conditions with respect thereto framed from time to time and notified by TAMP or such other competent authority under the provisions of MPT Act, as applicable.

“Scheduled Project Completion” means the date on which the Project is expected to be completed by the Concessionaire as per the implementation schedule set out in Appendix 5.

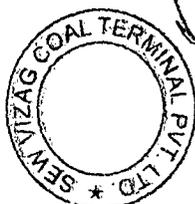
“Schedule of Rates” means Schedule of Rates for land along with the statement of conditions with respect thereto framed from time to time and notified by TAMP or such other competent authority under the provisions of MPT Act, as applicable.

“Selectee” has the meaning ascribed to it in Article 15.4(b).

“Special Audit” shall have the meaning assigned to it under Article 9.4.

“Statutory Auditors” means a firm of chartered accountants appointed in terms of Section 224 of the Companies Act, 1956 and acting as the statutory auditors of the Concessionaire.

“Substitution Agreement” means the agreement substantially in the form set out at Appendix 3, to be entered into between the Concessioneing Authority, the



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Concessionaire and the Lenders.

“Supporting Project Infrastructure” means:

- (a) maritime access channels; maritime access channels & port entrance:
The entrance channel to the outer harbour is 200m wide and dredged to a depth of 20m. The entrance channel to the inner harbour is dredged to a depth of (-) 11.80 / (-) 12.10m.
- (b) Shore protection and other protective works
- (c) access to port for inland transport (including roads, bridges and railways);

and shall include such other facilities as may be specified by the Concessions Authority as supporting infrastructure provided / to be provided for the Project.

“SBI PLR” means the prime lending rate of the State Bank of India prevailing as on the date of a payment due from which the computation of interest is required to be made under the Agreement.

“TAMP” means Tariff Authority for Major Ports established under the MPT Act.

“Tariff” means the applicable rate(s) as per Scale of Rates that may be charged by the Concessionaire for and in respect of providing the Project Facilities and Services.

“Tariff Notification” means the notifications no. [G.No.16] dated 11-06-2010] setting out *inter alia* the Tariff and shall include any revisions thereof.

“Termination Notice” means the termination notice issued pursuant to Article 16.1 hereof.

“Termination Period” shall have the meaning as set out under Article 16.1



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hereof.

"Tests" shall have the meaning assigned to it under Article 6.7 (a) hereof.

"The Port" means Visakhapatnam Port.

"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.

12 Other References

In this Agreement:

"ASTM" means American Society for Testing and Materials

"BIS" means Bureau of Indian Standards.

"BS" means British Standard.

"CISF" means Central Industrial Security Force.

"DIN" means German Industrial Standard.

"DWT" Dead Weight Tonnage

"FEM" means Federation of Equipment Manufacturers.



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"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.

"MoEF" means Ministry of Environment and Forests

"OISD" means Oil Industry Safety Directorate.

"VAT" means Value Added Tax.

R.3 Interpretations

This Agreement constitutes the entire understanding between the Parties regarding
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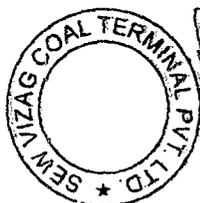
the Project and supersedes all previous written and/or oral representations and/or arrangements regarding the Project. If there is any aspect of the Project not covered by any of the provisions of this Agreement, then and only in that event, reference may be made by the Parties to the bid documents, *inter alia* including the RFP and RFQ documents, issued by the Concessions 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; and
- (n) any word or expression used in this Agreement , unless defined or



constructed 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.

14: 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.

15: 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 Concessions Authority (a) the License Fee and (b) Royalty, and performing its obligations as set out in this Agreement, the Concessions 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/ Project Facilities and Services.

2.2 Concession Period

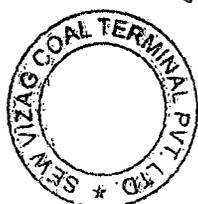
The Concession hereby granted is for a period of 30(thirty) years commencing from Date of Award of Concession during which the Concessionaire is authorized and obliged to implement the Project and to provide Project Facilities and Services in accordance with the provisions hereof.

Provided that: -

- (a) in the event of the Concession being extended by the Concessions Authority beyond the said period of 30(thirty) 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.

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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.



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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.



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2.8 Peaceful Occupation

The Concessions 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. In the event the Concessionaire is obstructed by any Person claiming any right, title or interest in or over the Project Site and Port's Assets or any part thereof or in the event of any enforcement action including any attachment, distraint, appointment of receiver or liquidator being initiated by any Person claiming to have charge on the Project Site and Port's Assets or any part thereof pursuant to Section 78 of the MPT Act, the Concessions Authority shall, if called upon by the Concessionaire, defend such claims and proceedings.



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) **Management Contract not applicable;**
 - (vi) Furnishing a certificate from its principal officer / director on the shareholding pattern of the Concessionaire;

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(vii) Furnishing its Financing Plan and Financing Documents for the Project and demonstrating Financial Close. Provided, Financial Close shall be deemed to be achieved if the only conditions pending for achieving Financial Close are those which are required to be fulfilled by the Concessions Authority under Article 3.1 (b) hereunder;

(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 Concessions 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;

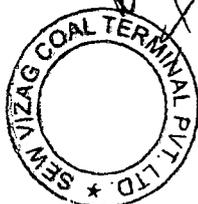
(ix) Furnishing to the Concessions Authority a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability hereof; and



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- (x) Obtaining Applicable Permits as may be required for commencement of Construction Works as set out in Appendix 8.
 - (xi) If required, the Concessionaire shall enter into an Integrity Pact as set out in Appendix 17 with the Concessions Authority as per the "Standard Operating Procedure" of Integrity Pact in Major Government Departments / Organisations formulated by the Central Vigilance Commission / Government of India.
- (b) The following Conditions Precedent shall be satisfied by the Concessions Authority:
- (i) procurement of the clearances required for the Project, as set out in Appendix 8;
 - (ii) handing over physical possession of the Project Site and / or the Port's Assets for the purposes of the Project;
 - (iii) provision of or putting in place arrangements for the provision of Supporting Project Infrastructure by the Concessions Authority.
- 3.2 The aforesaid Conditions Precedent shall be complied with within 90 (ninety) Days of the date of the Agreement. Each Party shall promptly inform the other Party in writing when the Conditions Precedent for which it is responsible have been satisfied.
- 3.3 Any of the Conditions Precedent set forth in Articles 3.1(a) may be waived fully or partially by the Concessions Authority at any time in its sole discretion or the Concessions 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 Concessions 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.



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3.4 If the Concessionaire has fulfilled all the Conditions Precedent under Article 3.1(a) including the furnishing of the Bank Guarantee and has not waived or extended the time under Clause 3.3 above, and if the Concessioneing Authority has failed to fulfil 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 percent) of the Performance Guarantee for each day's delay until fulfilment of the Conditions Precedent subject to a maximum of 5% (five percent) 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 percent) of the Performance Guarantee for each day's delay until fulfillment of the Conditions Precedent subject to a maximum of 5% (five percent) 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;

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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, the 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 Concessions Authority an unconditional and irrevocable bank guarantee, in favour of the Concessions Authority 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 Concessions Authority (the "Performance Guarantee"). The Performance Guarantee shall be for a sum of Rs.156.70 million (Rupees one hundred fifty six decimal seven zero million only). Till such time the Concessionaire provides to Concessions 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 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 Concessions 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.156.70 million (Rupees one hundred fifty six decimal seven zero million only) is available in immediate cash to the Concessions 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 Date of Commercial Operations. 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 Concessions Authority to forthwith terminate this Agreement and also if relevant, to forfeit the Bid Security.



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ARTICLE 5

INDEPENDENT ENGINEER

5.1 Independent Engineer

(a) The Independent Engineer shall be selected through a tender process. The Concessions Authority shall in the procurement documents published by it, set out in reasonable detail the scope of work as indicated in Appendix 7 and shortlist bidders based on their technical capability. The Concessions Authority shall within 30 (thirty) Days of the date of this Agreement forward to the Concessionaire a list consisting of the names accompanied by their respective profile in brief of Persons so shortlisted. If within 15 (fifteen) Days of forwarding the list, the Concessions Authority does not receive any objection from the Concessionaire with reasons therefor, the Concessions Authority shall call for a financial bid from the shortlisted Persons and select the Independent Engineer ordinarily based on the lowest fee quote. Any objection raised by the Concessionaire shall be considered by the Concessions Authority and Persons against whom such objections are raised will at the discretion of the Concessions Authority, which discretion shall be used with the highest degree of prudence and fairness, be disqualified prior to seeking a financial bid.

(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 Date of Commercial Operations. The scope of work of the Independent Engineer shall be substantially as set out in Appendix 7.






- (c) The costs and expenses of the Independent Engineer shall be borne by the Concessions Authority and Concessionaire, equally.
- (d) If the Concessions 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 Concessions 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.

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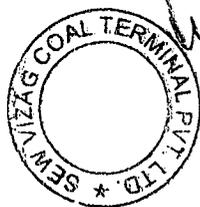
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ARTICLE 6**PROJECT IMPLEMENTATION****6.1 Preparation of Designs and Drawings**

The Concessionaire shall at its cost, charges and expenses, prepare the Designs and Drawings in conformity with the Project Requirements.

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 Concessions 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 taking into account the comments/observations of the Concessions Authority in respect thereof as it may in its sole discretion deem fit) within 21 (twenty one) Days from the date of the receipt of such Designs and Drawings.
- (c) In the event that the Independent Engineer has observed that the Designs and Drawings are not in conformity with the Project Requirements, the Concessionaire shall promptly and without any undue delay revise and resubmit the Designs and Drawings or satisfy the Independent Engineer with regards its compliance.
- (d) If the Independent Engineer 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 has no suggestions to make with

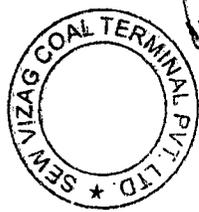


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respect to the Designs and Drawings and the Concessionaire shall be entitled to proceed with the Project accordingly.

- (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 Concessioneing Authority at its sole discretion may suitably extend the Construction Phase or provide other relief 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 under this Agreement, without submitting such revised Designs and Drawings for the review of the Independent Engineer.
- (g) Notwithstanding the review by the Independent Engineer, the Concessionaire shall be solely 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) Any review of the Designs and Drawings conducted by the Concessioneing Authority is solely for the Concessioneing Authority's own information and that by conducting such review, the Concessioneing Authority does not accept any responsibility for the same.
- (i) The Concessionaire shall in no way represent to any Person that, as a result of any review by the Independent Engineer, the Concessioneing Authority has accepted responsibility for the engineering or soundness of any work relating to the Project/ the Project Facilities and Services or part thereof carried out by the Concessionaire and the Concessionaire shall, in accordance with the provisions of this Agreement, be solely responsible for the technical feasibility, operational capability and reliability of the Project/ the Project Facilities and Services or any part thereof.



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6.3 Construction Phase

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 24 (twenty four) Months from the date of commencement of the Concession Period.

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 Concessioneing Authority witin 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 Concessioneing 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 Concessioneing Authority in addition to that contemplated under the Financing Documents provided on Financial Close, without the prior written consent of the

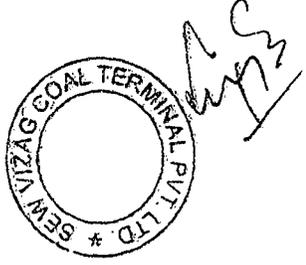


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Concessions Authority. For avoidance of doubt any such modifications / amendments made without the prior written consent of the Concessions Authority will not be enforceable against the Concessions Authority;

- (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



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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 Concessions Authority

In addition to any of its other obligations under this Agreement, during the Construction Phase, the Concessions 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 efforts 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 Completion 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 37 of the MPT 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 is not in accordance with the Construction Standards / Safety Standards.
- (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.

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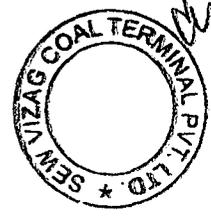


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6.7 Issue of Completion Certificate

- (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 Concessioneing 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) Upon completion of each Test, the Independent Engineer shall provide to the Concessionaire and the Concessioneing Authority copies of all Test data including detailed Test results;
- (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 Concessioneing 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



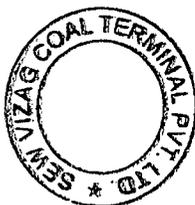
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List of outstanding items signed jointly by the Independent Engineer and the Concessionaire (the "Punch List") to be completed by the Concessionaire within a stipulated time. Provided, notwithstanding the foregoing, no such Provisional Certificate will be issued pending notifications in the Official Gazette by the Collector of Customs, in accordance with the provisions of Section 37 of the MPT Act for the Project Facilities and Services. 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;

- (a) 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 require the Concessionaire to pay 80% (eighty percent) of the sum saved due to such reduction of scope. Upon such payment to the Concessioneing Authority, 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% (five percent) of the Estimated Project Cost and during the Concession Period



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the cumulative cost of implementing orders pertaining to Change of Scope shall not exceed a sum corresponding to 20% (twenty percent) of the Estimated 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 an Expert to



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resolve the differences and upon the final determination of the desired Change of Scope and its cost implication, the Concessioning Authority may issue an order to implement the Change of Scope;

(c) 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;

(d) Within 7 (seven) Days of an order for Change of Scope being issued, the Concessioning Authority shall make an advance payment to the Concessionaire of a sum equal to 20% (twenty per cent) of the cost of Change of Scope as agreed hereunder. The Concessionaire shall, after commencement of work, present to the Concessioning 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 Concessioning Authority to determine the accuracy thereof. Within 30 (thirty) Days of receipt of such bills, the Concessioning Authority shall disburse to the Concessionaire 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 equipments following an order for a Change of Scope;

(e) Notwithstanding anything to the contrary contained in this Article 6.8, the Concessioning 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% (two per cent) of the bid amount to the Concessioning 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% (ten percent) thereof; and



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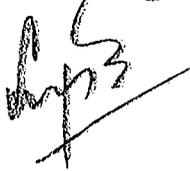
(ii) If during the pendency of the Agreement, the Concessionaire determines at any time that a Change of Scope is necessary for providing safer and improved Project Facilities and Services, it shall by notice in writing request the Concessioneing Authority to consider such Change of Scope. The Concessionaire 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, the Concessionaire shall pay to the Concessioneing Authority liquidated damages at the rate of 0.1% (zero point one percent) 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% (five percent) of the Estimated 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. The Parties agree that the liquidated damages as provided are a genuine pre-estimate of the damages the Concessioneing 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% (five percent) of the Estimated Project Cost, the Concessioneing Authority shall be entitled to terminate this Agreement and the



consequences of termination as laid down in Article 16.5 shall follow. The Concessions 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 Concessing 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 with the Project Requirements;
- (d) ensure compliance of the Project Facilities and Services at least with the Performance Standards;
- (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



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Facilities and Services by providing a rapid and effective response and maintaining liaison with emergency services of the Concessioneing 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) except for the priority and preferential berthing that may be authorized in terms of guidelines issued by the Government from time to time, 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;
- (i) ensure maintenance of proper and accurate record / data / accounts relating to operations of the Project Facilities and Services and the revenue earned therefrom;
- (j) 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;
- (k) 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 MPT Act; and



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- (d) prevent, with the assistance of concerned law enforcement agencies, any encroachment or unauthorized use of the Project Facilities and Services.

(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 Project Requirements 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 equipments; 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 Concessioning Authority upon expiry of the Concession Period are in good condition, normal wear and tear excepted.
- (c) The Concessionaire shall carry out capital dredging at the berth to a depth of (-) 16.10m in phases as set out in Appendix 4 and maintain the dredged depth accordingly up to 50m from the face line of the berth including conducting periodical hydrographic surveys.

(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 Project Requirements, 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 Concessioneing Authority

The Concessionaire shall make / ensure payments to the Concessioneing Authority as per Article 9.

(vii) Access for Inspection

The Concessionaire shall be obliged to extend all co-operation to Experts appointed by the Concessioneing Authority 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 Concessioneing Authority provide the authorized representatives of the Concessioneing 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 by the Concessionaire shall in particular extend all co-operation and information required by the Experts appointed by the Concessions 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 Concessions 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 Concessions Authority may require from time to time. If so desired by the Concessions Authority, the Concessionaire shall provide the reports in prescribed formats and in electronic form so as to provide online access to the Concessions 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 Concessions 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 Concessions Authority or a



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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.

(xvi) **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.

All labour law compliances shall be that of the Concessionaire alone.

(xvii) **Minimum Guaranteed Cargo**

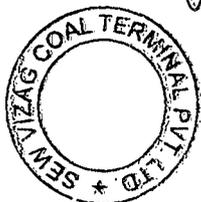
The Concessionaire hereby unconditionally guarantees the Concessioneing Authority annual cargo handling of the levels set out in Appendix 14 ("Minimum Guaranteed Cargo") and agrees that except as provided in this Agreement, it shall not be entitled to any relaxation of its guarantee in this respect.



(2011) Indemnity Against Claims for Loss of Goods

Notwithstanding anything contained in the MPT 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 Concessioning 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.

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(b) **Rights of Concessionaire**(i) **Preferential and Priority Berthing**

The Concessionaire may 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. Such preferential or priority berthing shall be subject to the priority berthing norms as may be mutually determined by the Parties in accordance with Applicable Laws or guidelines issued by the Government from time to time in respect thereof, if any.

(ii) **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 MPT 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 Concessioneing Authority agrees to provide all reasonable assistance necessary in this regard to the Concessionaire.



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(c) Obligations of the Concessions Authority

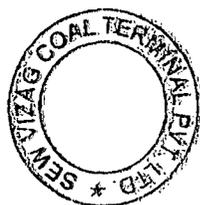
In addition to any of its other obligations in this Agreement, the Concessions Authority shall arrange for and provide the following:

(i) Marine and Port Services

The Concessions 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 inner harbour entrance channel depth at (-) 16.10 m. in phases duly synchronizing with the deepening plans of the Concessions Authority. ;
- (c) waterside safety and safety of navigation;
- (d) maintenance of the dredged depth at berth in the area beyond 50m. from the face line of the berth at (-) 16.10 m. in phases duly synchronizing with the deepening plans of the Concessions Authority.
- (e) Maintenance of commensurate dredged depths at Turning Basin including access channels.

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- (f) carry out maintenance dredging operations, if any that may be required in terms of Clause 71(c)(f)(b), 71(c)(f)(d) and 71(c)(f)(e) to ensure the depth to be maintained at the levels agreed under this Agreement, with minimum inconvenience to or dislocation of the Project Facilities and Services;
- (g) 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;
- (h) provide for / put in place arrangements for provision of Supporting Project Infrastructure other than those covered under the Concession;
- (i) 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
- (j) evolve mutually acceptable mechanism for sharing of common costs by existing and future terminal operators.

(ii) Approvals

The Concessions 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.



7.2: Utilities and Services

The Concessioning 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 Concessioning Authority:

- (a) the power made available shall be as received by the Concessioning Authority from AP TRANSCO.
- (b) the water made available shall be as received by the Concessioning 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 Concessioning Authority, install meters to measure the consumption of power and water. The Concessioning 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.



7.13) ~~Liability~~ **Liability for shortfall in performance**

In the event the Concessioning 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 Concessioning Authority shall calculate the amount of liquidated damages payable by the Concessionaire in accordance with Appendix 15 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 Concessioning Authority which shall be considered by the Concessioning Authority on merits and the Concessioning 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 Concessioning Authority upon a Concessionaire Event of Default as set out in Article 15 including the Concessioning Authority's right to terminate this Agreement which shall remain unaffected.






ARTICLE 8

TARIFF

8.1 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 Notification, an extract of which is set out in Appendix 12. The Tariffs shall be revised in the manner set out in Appendix 12 and duly notified from time to time by the TAMP under Sections 48, 49 and 50 of the MPT Act or such other competent authority under the Applicable Laws. The Tariff Notification prescribes the maximum Tariff that can be levied by the Concessionaire and the Concessionaire may charge lower than the rates prescribed. As of the date hereof, the applicable Tariff guidelines are as set out in Appendix 12. The Concessionaire shall, subject to Article 8.2 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.

8.1.2 The Concessionaire hereby acknowledges and agrees that it is not entitled to any revision of Tariff or other relief from the Concessioneing Authority or any Government Instrumentality, except in accordance with the express provisions of Agreement, the Concessionaire further acknowledges and here by accepts the risk of inadequacy, mistake or error of facts, assumptions or projections in the Tariff order issued by TAMP and agrees that the Trust shall not be liable for the same in any manner whatsoever to the Concessionaire.

8.2 Collection of Cesses and Charges

The Concessionaire shall collect all cesses and charges including infrastructure cess, if any levied on the users 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 the regard, for the purpose of such collection.



/s/

/s/

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 Concessioning Authority the sum of Rs. 18.90 million (Rupees eighteen decimal nine zero million only) as specified in the bid documents (the "License Fee") for the extent of land measuring 1,01,200 Sq.m. (25 Acres) for the development of stack yard (including handling facilities) in the Eastern Yard, with an escalation of 2% per annum. The present applicable rates in respect of land utility and services are as per Appendix 13. The Concessionaire shall pay such License fee in advance, every year and the first of such payments to be made upon entering into the concession agreement.
- (b) Any delay in payment of the amount in the preceding clause (a) shall entail payment of interest @ SBI PLR plus 2% (two percent) per annum on the amount outstanding.

9.2 Payments of Royalty

- (a) The Concessionaire shall pay to the Concessioning Authority Royalty per Month equivalent to 33.30 % (thirty three decimal three zero percent) of the Gross Revenue chargeable by the Concessionaire ("the Royalty").
- (b) Gross Revenue shall be computed on the basis of the maximum Tariffs leviable for and in respect of the Project Facilities and Services provided during the relevant period of computation. It is clarified that discounts and deferments, if any offered by the Concessionaire to the users or amounts if any not collected by the Concessionaire for any reason whatsoever in respect of the Project Facilities and Services, shall be ignored for the purpose of Gross Revenue. Further, in computing the Gross Revenue,



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income from interest, sale of assets, amounts received by the Concessionaire by way of damages from third parties (excepting damages received from the users on account of demurrage or such other related charges in respect of the Project Facilities and Services), taxes and cesses in respect to the Project Facilities and Services, if any collected and paid to any Government Authority shall also be ignored.

- (c) Royalty for each Month shall be paid on or before the seventh Day of the immediately succeeding Month.
- (d) The payment of Royalty shall commence from the Month in which the Concessionaire commences to provide any Project Facilities and Services, and shall be irrespective of Date of Commercial Operation.
- (e) Royalty amounts remaining unpaid on respective due dates would carry interest @ SBI PLR plus 2% (two percent) per annum from the due date till the date of payment or realization thereof.

9.3 Utilities or Services

The Concessionaire shall also pay rent or other charges for any premises (other than the Project Site/Project Assets) or additional utilities or services, made available by the Concessions Authority to the Concessionaire in accordance with the terms, conditions and covenants including on payment of rates specified by the Concessions Authority. Such rates shall be twice the Scale of Rates for utilities and services and Schedule of Rates in respect of land and as may be notified by the competent authority in respect thereof from time to time (the present rates applicable in respect of land, utilities and services are set out in Appendix 13).

9.4 Certified Accounts

During the subsistence of this Agreement, the Concessionaire shall maintain all



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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 Concessions Authority a financial statement of the Gross Revenue for every 6 (six) monthly period ending 30th September and 31st March every year, duly certified by its Statutory Auditors. The certificate must be furnished within 30 (thirty) Days of the end of each such period.

The Concessions 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") to conduct a special audit of the Gross Revenue and the financial statements, documents and supporting evidences thereto as may be mandated by the Concessions Authority and report to the Concessions Authority such information as may be desired by the Concessions Authority for any period and the Gross Revenue ("Special Audit").

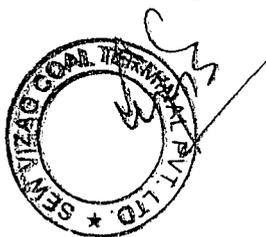
In the event that the Gross Revenue reported by the Additional Auditor is higher than that reported by the Statutory Auditor, the auditors shall meet to resolve such differences and if they are unable to resolve the same the Concessionaire shall pay Royalty on the Gross Revenue reported by the Additional Auditor. The Concessionaire shall also pay interest @ SBI PLR plus 2% (two percent) on the difference between the Royalty paid by the Concessionaire based on the Gross Revenue reported by the Statutory Auditor and that payable by the Concessionaire based on the Gross Revenue 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 Gross Revenue reported by the Additional Auditor and that reported by the Statutory Auditor is higher than 5% (five percent), the Concessions 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

The Concessionaire shall maintain an escrow account with a bank approved by the Lenders ("Escrow Account"), during the subsistence of this Agreement and enter into an agreement substantially in the format prescribed in Appendix 16 with such bank to ensure that all proceeds for financing the Project and all revenues and other receipts arising from the Project and under any agreements, including this Agreement received by the Concessionaire are deposited into such Escrow Account. Provided, the Concessionaire shall not deposit any amounts including the cesses and duties collected by it from the users on behalf of the Concessing Authority or such other authority in accordance with Article 8.2 hereof or pursuant to any other instructions in respect thereof in the Escrow Account and shall deposit the same in a separate account dedicated for the same and maintained by it in trust for the Concessing Authority or such other authority.

- (a) Withdrawals and appropriations during the Concession Period, at any relevant time, from the Escrow Account shall be in the following order of priority :
- (i) for all taxes due and payable by the Concessionaire;
 - (ii) towards payment of License Fee;
 - (iii) all construction / implementation expenses relating to the Project / Project Facilities and Services, subject to limits if any set out under the Financing Documents;
 - (iv) all expenses relating to operations and management of the Project / Project Facilities and Services, subject to limits if any set out under the Financing Documents;
 - (v) towards its debt service obligations under the Financing Documents;



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- (vi) towards payment of Royalty and other sums payable to the Concessioning Authority and liquidated damages, if any;
- (vii) towards any reserve requirements in accordance with the Financing Documents;

and the Concessionaire shall be at liberty to withdraw any sums outstanding in the Escrow Account after all the aforesaid payments due in any Quarter have been made and/or adequate reserves have been created in respect thereof for that Quarter. Provided, upon issuance of Termination Notice and/or suspension of the Concessionaire in accordance with the provisions of this Agreement, withdrawal from the Escrow Account shall be made only in accordance with the written instructions of the Concessioning Authority and the Lenders.

(b) 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 shall be appropriated in the following order of priority:

- (i) towards taxes and statutory dues payable by the Concessionaire;
- (ii) compensation to Lenders in terms of the Financing Documents towards discharge of the Concessionaire's liability under such Financing Documents;
- (iii) all amounts due to the Concessioning 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 all the aforesaid payments due have been made and / or adequate reserves have been created in respect thereof to the satisfaction of the Lenders and the Concessioning Authority.



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ARTICLE 10

ASSETS: OWNERSHIP AND PERMITTED CHARGE

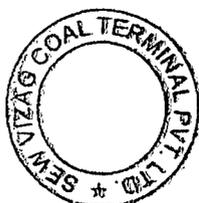
10.1 Ownership of Assets

(a) Land and Water Area

The ownership of the Project Site and Port's Assets shall always remain vested with the Concessioneing Authority. The rights of the Concessionaire in the Project Site and Port's Assets shall only be that of a bare licensee of such assets and the Concessionaire shall neither assign, transfer, sublet, create any charge or Encumbrance, nor shall the Concessionaire create or permit creation of any third party rights whatsoever, on whole or any part of the Port's Assets or Project Site. Further, any such rights of the Concessionaire shall always be subject to existing rights of way. It is expressly agreed that the Concessionaire's rights in the Project Site and / or the Port's Assets shall cease without the need for any action to be taken by the Concessioneing Authority upon the termination of this Agreement for any reason whatsoever.

(b) Assets created or provided by the Concessionaire

The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by the Concessionaire at the Project Site and/or in the Port's Assets pursuant to this Agreement shall, until expiry of this Agreement or transfer to the Concessioneing Authority on Termination in accordance with this Agreement, be with the Concessionaire. However, such ownership of buildings etc. erected by the Concessionaire at the Project Site shall not be construed as and shall not confer any rights in the Project Site or other Port's Assets upon the Concessionaire, save as that of a bare licensee as provided for in this Agreement.



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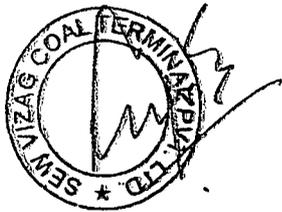
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10.2 Permitted Charge on Assets

The Concessionaire shall be entitled to create a charge on its rights, title and interest in the assets referred to in Article 10.1(b) in favour of Lenders for securing the Financial Assistance provided or agreed to be provided by them under the Financing Documents. Provided, any such charge shall not be effective before Financial Close and shall not continue for a period exceeding the Concession Period.

Provided further, that such charge shall not be for the Project Site nor encumber the Project Site and / or the Port's Assets.

Provided further, in the event of termination of this Agreement, the said charge shall stand extinguished upon payment of compensation by the Concessions Authority to the Lenders, to the extent they are entitled to receive the same in accordance with the provisions of this Agreement.



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ARTICLE 11

SHAREHOLDING

11.1 Ownership Structure

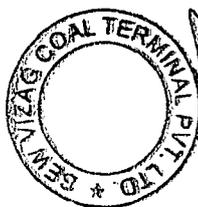
The Applicant / Consortium has caused the Concessionaire to be incorporated as a special purpose company to implement, operate and maintain the Project / Project Facilities and Services in accordance with this Agreement. The shareholding pattern of Concessionaire / each member of the Consortium in the Concessionaire is as follows M/s SEW Infrastructure Ltd and M/s PRSB in the ratio 74(Seventy four) : 26(Twenty six) respectively.

11.2 Shareholding

The Concessionaire shall ensure that the Applicant / members of the Consortium maintain Management Control at least until expiry of the Exclusivity Period as also maintain their equity holding in the Concessionaire such that:

- (a) The Applicant/members of the Consortium legally and beneficially hold not less than 51% (fifty one percent) of its paid up equity capital until 3 (three) years after Date of Commercial Operations and not less than 26% (twenty six percent) of its paid up equity capital during the balance Concession Period; and
- (b) M/s. SEW Infrastructure Limited ("Lead Member") legally and beneficially holds at any time not less than 50 % (fifty percent) of the Consortium's holding in the paid up equity capital of the Concessionaire.

Notwithstanding the aforesaid, 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 Concessions Authority which consent shall not be withheld except (i) for reasons of national security; or (ii) if the Person proposed



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for assuming such Management Control would by virtue of the restrictions imposed under the 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 favour of Lenders as security for the Financial Assistance subject to the enforcement and consequent Transfer thereof only with the prior written consent of the Concessions 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 Concessions 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 Concessions 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, VAT, cess and charges including but not limited to income tax, sales tax, excise duty, customs duty, service tax and octroi 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, at its cost and expense, 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



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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 Concessioneing 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

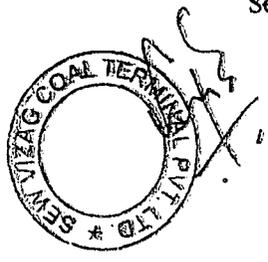
The Concessionaire shall insure all insurable assets comprised in the Port's Assets and/or the Project Facilities and Services and all insurable risks associated with the Project to the extent advisable in accordance with Good Industry Practice ("Insurance Cover").

(iii) Evidence of Insurance Cover

The Concessionaire shall, from time to time, provide to the Concessioneing 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



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destroyed and in respect of which the claim is lodged. The Concessionaire may designate the 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 @ SBI PLR plus 2% (two percent) 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 here under against, interalia, the Concessioneing Authority and its



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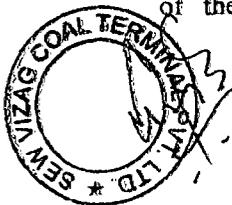
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assigns and successors and their respective subsidiaries, affiliates, employees and of any right of the insurers of any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy or in any way connected with any loss, liability or obligation covered by such policies of insurance.

(d) **Indemnification**

The Concessionaire shall during the pendency of this Agreement and thereafter until all claims and demands in respect to the acts and omissions during the period of the Agreement as described hereunder are duly settled, indemnify and keep indemnified and otherwise save harmless, the Concessioneing Authority, its agents and employees, from and against all claims, demands made against and/or loss caused and / or damages suffered and / or cost, charges / expenses incurred to and / or penalty levied and / or any claim due to injury to or death of any person and / or loss or damage caused or suffered to property owned or belonging to the Concessioneing Authority, its agents and employees or third party as a result of any acts, deeds or thing done or omitted to be done by the Concessionaire or as a result of failure on the part of the Concessionaire to perform any of its obligations under this Agreement or on the Concessionaire committing breach of any of the terms and conditions of this Agreement or on the failure of the Concessionaire to perform any of its duties and / or obligations including statutory duties or as a consequence of any notice, action, suit or proceedings, given, initiated, filed or commenced by consignee or owner of goods or vessel owner / agent or its employees or any third party or Government Authority or as a result of any failure or negligence or default of the Concessionaire or its Contractor(s), sub-contractor(s), or employees, servants, agents of such Contractor(s) and / or sub-contractor(s) and / or invitees as the case may be, in connection with or arising out of this Agreement and / or arising out of or, in connection with the Concessionaire's use and occupation of the Project Site or Port's Assets and / or construction, operation and



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maintenance of the Project Facilities and Services.

(e) Assignability

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.

Provided the Concessionaire may assign its rights, interests and benefits under this Agreement to the Lenders as security for the Financial Assistance. Provided further nothing contained in this Article shall:

- (i) absolve the Concessionaire from its responsibilities to perform / discharge any of its obligations under and in accordance with the provisions of this Agreement; and
- (ii) authorize or be deemed to authorize the Lenders to operate the Project Facilities and Services themselves and any such assignment to operate shall be in terms of the Substitution Agreement.

f Engagement of Contractors (Management Contract and Management Contractor not applicable)

The Concessionaire shall engage the Management Contractor and execute the Management Contract, thereby entrusting the Management Contractor with the responsibilities of operating and managing the Project Facilities and Services in the manner envisaged under the Request for Proposal. A copy of the Management Contract shall be provided to the Concessioneing Authority and the same shall not be amended, substituted or revoked without the prior written consent of the Concessioneing Authority.



The Concessionaire may engage any Person possessing the requisite skill, expertise and capability for 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 non performance 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 Concessionaire should have obtained requisite security clearance for the Contractor the Concessionaire intends to engage;
- (iii) the Concessionaire shall ensure that the Project Contracts contain provisions that entitle the Concessioneing 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 arms length basis.

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(g) 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 Expert appointed by the Parties by mutual consent, 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 there for 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 Concessioneing 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 Concessioneing 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) The Concessionaire shall as security for performance of its obligation in the preceding sub-article (i), provide / submit to the Concessioneing Authority a guarantee issued by a scheduled bank in India for a sum of Rs.156.70 million (Rupees one hundred fifty six decimal seven zero million only) at least 2 (two) years prior to the expiry of the Concession Period. In the event of Concessionaire's failure to provide such guarantee, the same shall be deemed to be a Concessionaire Event of Default and the Concessioneing Authority shall accordingly be entitled to terminate this Agreement in accordance with Article 15.



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12.2 Of the Concessioneing Authority

(a) Assistance in obtaining Approvals, Permits and Licenses

The Concessioneing 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 STEAM COAL and THERMAL COAL 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 75% (seventy five percent) of Project Capacity for 2 (two) consecutive years ("Exclusivity Period"). Provided, this restriction shall not apply to the additional facility envisaged as below:

- i) *Development Western Quay -8 (WQ-8) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam Port for handling Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.*



- ii) *Development of Eastern Quay – 10 (EQ-10) berth in the northern arm of inner harbour of Visakhapatnam Port for handling liquid cargo(excluding POL products) on DBFOT basis.*
- iii) *Development Western Quay –7 (WQ-7) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam Port for handling Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.*
- iv) *Development of East Quay – 1 (EQ-1) berth by replacing the existing EQ-1 berth and part of EQ-2 berth for handling Steam Coal in the inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis*
- v) *Development of Western Quay-6 (WQ-6) berth in the northern arm of inner harbour of Visakhapatnam Port for handling dry bulk cargo on DBFOT basis.*
- vi) *Mechanisation of Iron ore handling facilities at WQ-1 berth for handling iron ore in the inner Harbour of Visakhapatnam Port on DBFOT basis.*
- vii) *Mechanization of Coal handling facilities and upgradation of General Cargo berth (GCB) at outer harbour of Visakhapatnam Port to cater to 200,000 DWT vessels on DBFOT basis.*
- viii) *Installation of Mechanized fertilizer handling facility at EQ-7 in the inner harbour of Visakhapatnam Port on DBFOT basis.*

(d) General rights of inspection and verification

The Concessioning Authority may during the pendency of the Agreement itself or by appointment of Experts verify the performance of obligations of the Concessionaire as set out in this Agreement.



- (c) The Concessioneing Authority at the discretion of the Central / State Government may induct CISF or such other force as the Central / State Government decides whenever necessary for security in the Project Site / Project Assets at the cost of the Concessioneing Authority.

12.3 Of the Concessioneing Authority and the Concessioneaire

(a) **Compliance with Laws and Regulations**

The Parties shall perform their respective obligations under this Agreement in accordance with the Applicable Laws and Applicable Permits.

(b) **Rights to Documents**

(i) **Concessioneing Authority's Documents**

Documents and computer programs or copies thereof, if any, provided by the Concessioneing Authority to the Concessioneaire, shall always remain the property of the Concessioneing Authority. Such documents, computer programs and / or copies shall not be used by the Concessioneaire 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 Concessioneaire to the Concessioneing Authority on the Transfer Date.

(ii) **Concessioneaire's Documents**

Documents and computer programs provided by the Concessioneaire, or which are developed (and owned by the Concessioneaire) for operation and / or maintenance of the Project / the Project Facilities and Services shall be handed over by the Concessioneaire to the Concessioneing Authority free of cost on the Transfer Date.

(iii) **Confidentiality**



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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 Concessional Authority of the Lenders' readiness to execute the same.



ARTICLE 13

CHANGE IN LAW

13.1 Change in Law

“Change in Law” means any of the following events which has a Material Adverse Effect:

- (a) adoption, promulgation, modification, reinterpretation or repeal after the date of this Agreement by any Government Authority of any statute, rule, ordinance, regulation or order, treaty, convention, directive, guideline, policy having force of law; or
- (b) the imposition by any Government Authority of any material condition (other than a condition which has been imposed as a consequence of a violation by the Concessionaire of any Applicable Permit) in connection with the issuance, renewal or modification of any Applicable Permits after the date of this Agreement which renders the performance by the Concessionaire of any of the terms of this Agreement impossible or unviable; or
- (c) any Applicable Permit previously granted, ceasing to remain in full force and effect for reasons other than breach / violation by or the negligence of the Concessionaire or if granted for a limited period, being renewed on terms different from those previously stipulated.

Provided any (i) imposition of new taxes, duties, cess and the like and / or the increase in taxes, duties, cess and the like effected from time to time by any Government Authority, and / or (ii) imposition of standards and condition of operations, maintenance and safety arising out of a new or revised Environmental Law; and/or (iii) imposition of standards and terms of employment and working conditions of labourers and workmen; and / or (iv) any rules or regulations stipulated by TAMP or other regulatory



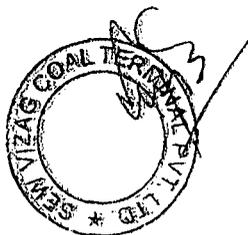
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authority having jurisdiction over the Project in respect of the standards of service shall not constitute a Change in Law.

13.2 The Concessionaire's Remedy

- (a) In the event of Change in Law the Concessionaire may propose to the Concessions Authority modifications to the relevant terms of this Agreement which are reasonable and intended to mitigate the effect of the Change in Law. Thereupon, the Parties shall, in good faith, negotiate and agree upon suitable changes in the terms of this Agreement including extension of the Concession Period, so as to place the Concessionaire in substantially the same legal and financial position as it were prior to such Change in Law. Provided however, that if the resultant Material Adverse Effect is such that this Agreement is frustrated or is rendered illegal or impossible of performance, the Change in Law shall be deemed to be a Political Event, whereupon the provisions with respect thereto shall apply.
- (b) In the alternative to the aforesaid, subject to the Concessionaire taking necessary measures to mitigate the impact or the likely impact of Change in Law on the Project, if as a direct consequence of a Change in Law, the Concessionaire is obliged to incur Additional Cost in any accounting year, any such Additional Cost above a sum of Rs.156.70 million (Rupees one hundred fifty six decimal seven zero million only) may at the option of the Concessions Authority be borne by the Concessions Authority. It is clarified that Additional Cost upto Rs.156.70 million (Rupees one hundred fifty six decimal seven zero million only) in any accounting year shall be borne by the Concessionaire;
- (c) Upon occurrence of a Change in Law, the Concessionaire shall notify the Concessions Authority, of the following:
- (i) the particulars, nature and the impact of Change in Law on the Project;



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(ii) in sufficient detail, the estimate of the Additional Cost likely to be incurred by the Concessionaire on account of the Change in Law; and

(iii) the measures, which the Concessionaire has taken or proposes to take to mitigate the impact of Change in Law, including in particular, minimising the Additional Cost.

(d) Upon receipt of the notice of Change in Law issued by the Concessionaire pursuant to the preceding sub-article(c), the Concessioneing Authority and the Concessionaire shall hold discussions and take all such steps as may be necessary including determination/certification by an Expert, appointed by the Parties by mutual consent, of the Additional Cost and to determine the quantum of the Additional Cost to be incurred.

(e) If it is determined that the only material impact of a Change in Law is Additional Cost and the Concessioneing Authority opts to compensate the same in accordance with the preceding sub-article (b), the Concessionaire shall not be entitled to any other remedy nor shall seek any alterations to the Agreement and the Concessioneing Authority shall, within 30 (thirty) Days from the date of determination of quantum of Additional Cost to be borne by the Concessioneing Authority in accordance with sub-article (b) above, compensate the Concessionaire in either of the following ways:

(i) by lump-sum reimbursement of such Additional Cost to the Concessionaire;

(ii) reimbursement of the such Additional Cost to the Concessionaire, in not exceeding four half yearly installments, subject to payment of interest at SBI PLR + 2% (two percent) on the amount the payment of which is deferred.

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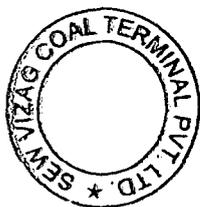
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Notwithstanding the aforesaid, if in terms of Good Industry Practice, the event constituting a Change in Law could be insured, the Concessionaire shall not be entitled to any remedy under this Article 13.2;

If as a result of Change in Law, the Concessionaire incurs a reduction in costs or other financial gain or benefit in connection with its development or operation of the Project, the aggregate financial effect of which exceeds Rs. 219.37 million (Rupees two hundred and nineteen decimal three seven million only) in any Financial Year, the Concessionaire shall notify the Concessions Authority and pay to the Concessions Authority an amount that would put the Concessionaire in the same financial position it would have occupied had there been no such Change in Law resulting in such cost reduction, increase in return or other financial gain or benefit as aforesaid. Without prejudice to the aforesaid, the Concessions Authority may, by notice in writing require the Concessionaire to pay an amount that would put the Concessionaire in the same financial position it would have occupied had there been no such Change in Law resulting in such cost reduction, increase in return or other gain or benefit.

The Concessionaire shall make payment of such compensation within sixty (60) Days of the said financial benefit. If the Concessionaire shall dispute the quantum of such compensation claim of the Concessions Authority, the same shall be finally settled in accordance with the dispute resolution mechanism contained in Article 19 herein.



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 including the impact / consequence thereof which :

- (a) is beyond the control of the Party claiming to be affected thereby (the "Affected Party");
- (b) prevents the Affected Party from performing or discharging its obligations under this Agreement; and
- (c) the Affected Party has been unable to overcome or prevent despite exercise of due care and diligence.

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);



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- (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 Material Adverse Effect;
- (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



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complying with the Project Requirements, Applicable Laws, Applicable Permits, any judgment or order of a Governmental Agency or 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 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



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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 Concessions 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



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(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 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:

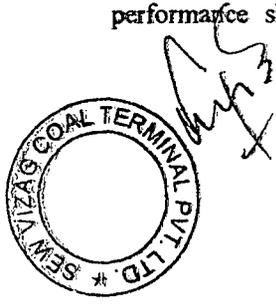
- (a) expiry of the period during which the Affected Party is excused from performance of its obligations in accordance with Article 14.7; or
- (b) termination of this Agreement pursuant to Article 14.10 hereof.

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



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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

(a) Costs

Each Party shall bear its costs, if any, incurred as a consequence of the Force Majeure Event.

(b) Extension of time/period

The Affected Party shall be granted by the other Party, extension of time specified in this Agreement for the performance of any obligation by such period not exceeding the period during which the relative performance was affected by the Force Majeure Event. Such extension may include extension of the Concession Period by the Concessioneing Authority in appropriate cases if permissible under Applicable Law.

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.

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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 Date of Commercial Operations 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;



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- (vi) ~~At default~~ under the Management 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. Provided, the Concessionaire shall not be deemed to be in default if such non achievement is due to a substantial change in economic policies including the policy regarding import / export of a particular commodity as a result of which the throughput could not be achieved;
- (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 Lenders exercise their rights to substitute the Concessionaire in accordance with the provisions of the Substitution Agreement;
- (xii) levy of an execution or distraint 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 distraint remaining in force for a period exceeding 90 (ninety) Days;
- (xiii) the Performance Guarantee is not maintained in terms of the provisions hereof;



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(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;

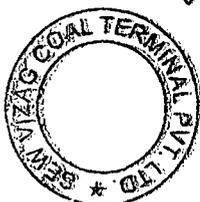
(xvi) amalgamation of the Concessionaire with any other company or reconstruction or transfer of the whole or part of the Concessionaire's undertaking other than transfer of assets in the ordinary course of business in contravention with the provisions of Article 11 hereof; and

(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 Concessions Authority Event of Default

(i) the Concessions 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 Concessions Authority under this Agreement is found to be false or misleading.



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- (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 destraint 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 destraint remaining in force for a period exceeding 90 (ninety) Days.

15.1 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)



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and proposing consultation amongst the Parties and the Lenders to consider possible measures of curing or otherwise dealing with the underlying Event of Default ("Consultation Notice").

5.4 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 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 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 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 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



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- (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 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 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 Concessions Authority's Rights of Step-in

Upon a Termination Notice being issued due to a Concessionaire Event of Default, the Concessions 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 with respect to the Lenders during such Remedial Period out of the current revenues. 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 shall do so by issue of a notice in writing ("Termination Notice") to the other Party and simultaneously deliver a copy thereof to the 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 compensation is payable by the Concessing 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 Concessing Authority shall by a notice in writing ("Requisition") call upon the Concessionaire to furnish the following information

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to enable the Concessioning Authority to estimate the likely compensation payable by the Concessioning 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 Concessioning Authority.

- (a) except in cases where no Financial Close has been achieved, the particulars of Debt Due supported by Lenders' certificate;
- (b) data or records including test certificates survey reports, inspection reports, statutory certificates issued for operation and establishment 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 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 Concessioning 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 Concessioning 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 Concessioning Authority shall be associated with the operations of the Project Facilities



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and Services (except when the same is impossible due to a Force Majeure Event) in order to facilitate smooth take over of the same by the Concessioning Authority on the Transfer Date.

- (b) If, as a result of the condition survey, the Concessioning 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 Concessioning Authority may itself cause the condition survey and inventory of Port's Assets and the Project Facilities and Services to be conducted. The Concessioning 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 Concessioning Authority shall be entitled to encash any subsisting bank guarantee(s) provided by the Concessionaire against any amounts owing to the Concessioning Authority by the Concessionaire.



Notwithstanding anything contained in this Agreement, except for ensuring the deposit of the compensation payable to the Concessionaire in accordance with Article 17 in the Escrow Account, the Concessioneing 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 Concessioneing 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, compensation payable to the Concessionaire shall be the lower of the Book Value or 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 a Other Event compensation payable to the Concessionaire shall be the higher of the Book Value or the Debt Due LESS any amount due to the Concessioneing Authority by the Concessionaire under this Agreement LESS all insurance claims received or admitted. Provided, the Book Value or the Debt Due, as the case may be shall not exceed the Actual Project Cost.
- (iii) If termination is due to a Political Event, compensation 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 compensation 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

If the termination is after the Date of Commercial Operation, due to a Concessionaire Event of Default, the compensation payable by the Concessioneing Authority to the Concessionaire shall be the lowest of:



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- (i) the Book Value;
- (ii) 90% (ninety percent) of Debt Due;
- (iii) the Actual Project Cost;

Provided, no compensation 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 Concessioneing Authority Event of Default

If the termination is due to a Concessioneing Authority Event of Default, the compensation payable by the Concessioneing Authority shall be equal to the aggregate of (i) Debt Due plus (ii) 150% (one hundred and fifty percent) Equity.

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 an



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~~Concessioning 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 Lenders

The Concessionaire hereby irrevocably authorises the Concessioning Authority to pay to the Lenders or at their instruction to any designated bank account in India the compensation payable to the Concessionaire. The Concessionaire confirms that upon such payment being made, the Concessioning 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 Lenders on any of its assets taken over by the Concessioning 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 compensation by Concessioning Authority in accordance with this Article 17.4 shall be a valid discharge to the Concessioning Authority in respect of Concessioning Authority's obligation regarding payment of compensation to the Concessionaire under this Agreement.

Provided notwithstanding anything inconsistent contained in this Agreement, the Concessionaire / the 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 Concessioning 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 Lenders is furnished by the Concessionaire to the Concessioning Authority, the compensation shall be paid by the Concessioning Authority to the Concessionaire directly.



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17.5 Delayed Payment of Compensation

If for any reasons, other than those attributable to the Concessionaire, the Concessioneing Authority fails to pay the compensation on the Transfer Date, the Concessioneing Authority shall be liable to pay interest@ SBI PLR plus 2% (two percent) per annum thereon from the Transfer Date till payment thereof. Provided, nothing contained in this Article shall be deemed to authorise any delay in payment of compensation 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 Gross Revenue 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. 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.

9.7 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.



ARTICLE 18

TRANSFER ON EXPIRY OF THE CONCESSION PERIOD

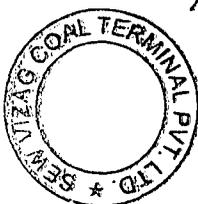
18.1 General Scope of Transfer/Payment

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 Concessioning 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 Concessioning 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;



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- (e) transfer or cause to be transferred to the Concessions Authority any Project Contracts which are (i) valid and subsisting; (ii) capable of being transferred to the Concessions Authority; and (iii) those the Concessions Authority has chosen to take over, and cancel or cause to be cancelled such Project Contracts not transferred to the Concessions Authority. For this purpose, the Concessionaire shall ensure that all Project Contracts are assignable in favor of the Concessions 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 Concessions Authority;
- (f) at its cost, transfer to the Concessions Authority all such Applicable Permits which the Concessions Authority may require and which can be legally transferred. Provided if the termination is on account of Concessions Authority Event of Default the cost of such transfer shall be borne / reimbursed by the Concessions 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 Concessions Authority in terms of the provisions of this Agreement.

18.3 Concessions Authority's Obligations

Except in the event of expiry of the Concession by efflux of time, the Concessions Authority shall pay compensation payable to the Concessionaire in accordance with Article 17.1 of this Agreement, to the Lenders, or deposit the same in the Escrow Account or on the written instructions of the 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 Concessions 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 Lenders on any of the assets shall stand satisfied



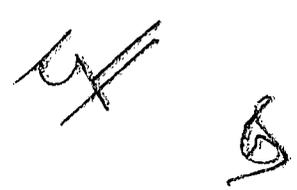
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and all such assets shall ~~own~~ from the Transfer Date be free from such charge.

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.



ARTICLE 19

DISPUTE RESOLUTION

19.1 Amicable Settlement

If any dispute or difference or claims of any kind arises between the Concessing 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, or the rights, duties or liabilities of any Party under 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.

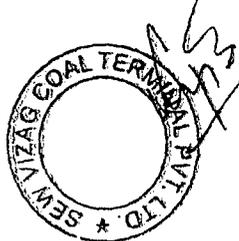
19.2 Assistance of Expert

The Parties may, in appropriate cases agree to refer the matter to an Expert appointed by them with mutual consent. The cost of obtaining the service of the Expert shall be shared equally.

19.3 Arbitration

(a) Arbitrators

Failing amicable settlement and/or settlement with the assistance of Expert appointed by the Parties by mutual consent, 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. Unless the Parties mutually agree otherwise, within 30 (thirty) Days of invocation of the arbitration as mentioned below, the rules of arbitration prescribed by the International Centre for Alternative Dispute Resolution, New Delhi shall apply to the arbitration. The arbitration shall be by a panel of three



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Arbitrators, one to be appointed by each Party and the third, who shall act as presiding arbitrator, to be appointed by the two arbitrators appointed by the Parties. The arbitration shall be invoked by one party issuing to the other a notice in writing invoking the arbitration and appointing an Arbitrator. Upon receipt of the notice, the other Party shall appoint the second Arbitrator. The two Arbitrators so appointed shall appoint the third Arbitrator who shall act as the 'Presiding Arbitrator'. If the other Party fails to appoint a second Arbitrator within 30 (thirty) Days from the receipt of the request to do so, then the Arbitrator so appointed by the first party shall adjudicate the disputes as 'Sole Arbitrator'.

(b) Place of Arbitration

The place of arbitration shall be the headquarters of the Concessioneing Authority in India.

(c) English Language

The request for arbitration, the answer to the request, the terms of reference, any written submissions, any orders and rulings shall be in English and, if oral hearings take place, English shall be the language to be used in the hearings.

(d) Procedure

The procedure to be followed within the arbitration, including appointment of arbitrator / arbitral tribunal, the rules of evidence which are to apply shall be in accordance with the Arbitration and Conciliation Act, 1996.

(e) Enforcement of Award

Any decision or award resulting from arbitration shall be final and binding upon the Parties. The Parties hereto agree that the arbitral award may be enforced against the Parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.



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(6) Fees and Expenses

The fees and expenses of the arbitrators and all other expenses of the arbitration shall be initially borne and paid equally by respective Parties subject to determination by the arbitrators. The arbitrators may provide in the arbitral award for the reimbursement to the successful party of its costs and expenses in bringing or defending the arbitration claim, including legal fees and expenses incurred by the Party.

(7) Performance during Arbitration

Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published, the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.



ARTICLE 20

REPRESENTATIONS AND WARRANTIES

20.1 Representations and Warranties of the Concessionaire

The Concessionaire represents and warrants to the Concessing 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



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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;

(12) 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;

(13) 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;

(14) all its rights and interests in the Project/Project Facilities and Services shall pass to and vest in the Concessions 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 Concessions 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;

(15) no representation or warranty by it contained herein or in any other document furnished by it to the Concessions 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;



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- (k) 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 Concessions 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 judgment 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 Concessions Authority

The Concessions 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 Concessions 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



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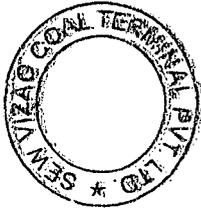
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meet or perform any of its obligations under this Agreement.

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.



negligence or default or omission, as the case may be.

2115: 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.

2116: 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.

2117: 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 Concessions Authority:

THE CHAIRMAN

VISAKHAPATNAM PORT

VISAKHAPATNAM – 530 035

Fax No: +91-891-2565023

Email: info@vizagport.com



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The Concessionaire:

The DIRECTOR

SEW Vizag Coal Terminal Private Limited

6-3-871, 'SNEHALATA',

GREENLANDS ROAD, BEGUMPET,

HYDERABAD - 500016,

Andhra Pradesh, INDIA.

Fax No. 040-66300001

Email: svctl@sewinfra.com

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.

21.8 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 21.7 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.

21.9 Amendments, Modifications or Alterations.

No amendments, modifications or alterations of or any additions to the terms and conditions of this Agreement shall be valid unless the same be in writing and agreed to by the Parties.



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21.10 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.

21.11 Entire Agreement

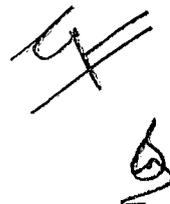
This Agreement and the Appendices together constitute a complete and exclusive statement of the terms of the agreement between the Parties. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement unless specifically retained in this Agreement 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 Concessing Authority is affixed pursuant to its resolution No 158/2010-11 dated 28-02-2011 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. D. Sati Prasad pursuant to Resolution dated 31-01-2012 of its Board of Directors.



APPENDIX I

PROJECT SITE

10. SITE INFORMATION

11. GENERAL

The Concessionaire should ascertain and satisfy itself / themselves about the details and the data furnished on meteorological, geological, sub-soil and other conditions. If any error or deficiency in the information supplied surfaces at any time during the currency of the Concession Period, no claim on this account will be entertained by the Concessions Authority.

12. THE SITE

The Visakhapatnam port is located in the city of Visakhapatnam, Visakhapatnam District, State of Andhra Pradesh on the East Coast of India and lies on Latitude 17⁰- 41'N and Longitude 83⁰-18' E. The EQ-1A berth is proposed to be constructed in the Northern arm in the Inner Harbour of the Concessions Authority on south side of east quay in place of existing EQ-1 and part of EQ-2 berths as shown in drawing No. VPT / 01/09/EQ-1A.

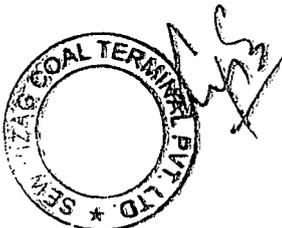
13. AVAILABILITY OF LAND

The Land for establishment of the identified facilities shall be provided by the Concessions Authority out of Visakhapatnam Port Trust land on prevailing Schedule of Rates as applicable from time to time. It is clarified that the costs of diversion of roads, telephone lines, power, water and any other lines, drains etc. passing through the land shall be borne by the Concessionaire at his own cost.

14. METEOROLOGICAL DATA

WIND:

The predominant direction of wind is south - west and North-east for the most of the time and wind speed does not exceed 20 KMPH for 90% of the time. The maximum wind speed recorded is 110 KMPH.



SEA WATER TEMPERATURE & SALINITY:

The sea water temperature at Visakhapatnam Coast varies from a mean of about 25° C in January to 29° C in October. The salinity varies from a monthly mean of about 24.4% in November to a monthly mean of 34% in April.

15. SUB-SOIL CONDITIONS

As per soil investigations carried out in the recent past in the project site, the expected soil strata is sand followed by soft clay layer and extended up to deepest stratum in between with sand layers. Soft disintegrated rock (SDR), soft rock and hard rock were encountered in almost all the bore holes at beyond (-) 25.00 m R.L. A copy of the same pertinent to the Project Site will be made available to the Concessionaire upon request. In the event that the Concessionaire desires to carry out any soil explorations, permission shall be granted by Concessioneing Authority, the soil exploration shall be arranged by the Concessionaire at his cost without causing any inconvenience to the works / operations of Authority / other agencies working in the area. The detailed designs to be undertaken by the Concessionaire shall be based on proper soil exploration conducted at the Site before hand and no claim on this account will be tenable.

16. DATUM

The datum to which all levels shall be referred for the purpose of the works is the Chart Datum, which is 0.80 Meters below MSL.

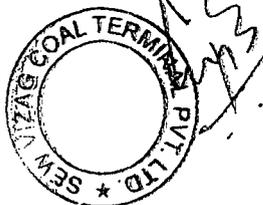
17. CLIMATE

The annual mean maximum temperature is 30°C and the annual mean minimum temperature is 24.3°C. The highest temperature is recorded in May and June and the lowest in December and January. The highest temperature recorded was 38°C in May and the lowest temperature recorded was 24.3° in January for the year 2007.

The annual mean value of daily relative humidity recorded varies from 72% to 76%. The highest recorded value is 81% and lowest recorded value is 64%.

18. WAVES

The deep-sea wave conditions are in agreement with the wind directions in this area. The



predominant direction of waves during the period April–September is South–West whereas during the period November – February the predominant direction is North-east. The months of March and October are transition periods with no definite predominant direction for the wave approach. Waves of over 1.5 M in height may be expected out side the outer harbour for approximately 22% of the time and wave periods of over 7 seconds may be expected approximately 14% of the time.

1.9 TIDES

Highest w.r.t. datum

Highest high water recorded (Nov. 2007)	-	2.06 M
Mean high water level spring	-	2.06 M
Mean high water level neap	-	1.50 M
Mean sea level	-	0.80 M
Mean low water level spring	-	-0.16 M
Mean low water level neap	-	+0.50 M
Chart datum (CD)	-	0.00 M
Lowest low water recorded (March 2007)	-	(-)0.39 M

Note: During the 'tsunami' occurred in December 2004 the max. & min. levels of sea water have varied between a max. of +3.0 m to a min. of -1.0 m.

1.10 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 toward the North-East and from August to December towards South-west at velocities ranging from 0.5 to 1.0 Knot in the Outer Harbour.

1.11 VISIBILITY :

Visibility is good throughout the year as fog is in-frequent 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.

1.12 CYCLONES :



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The average number of cyclones occurring at Visakhapatnam is 4 to 5 per year. Cyclone Storms and depressions occur with great frequency in August, October and November.

2.0 EXISTING BERTHS

2.1 The schematic details of the existing berths and approaches are shown in Drg No. VPT / 01 / 09 / EQIA enclosed. The Inner Harbour has 18 Nos. of berths and the Outer Harbour has 6 Nos. of berths. There are proposals to construct additional berths in the Inner Harbour and Outer Harbour.

3.0 SOIL INVESTIGATION

The concessionaire shall carry out the soil investigations along the length of the Quay / obtaining data as per the provisions contained in relevant Bureau of Indian Standards with soil borings at 50 meters interval so as to adhere to the design requirement.



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APPENDIX 2

PORT'S ASSETS

A waterfront of 280 m and the required area of land in the Eastern Yard for the development of the stack yards including handling facilities conveyor corridor and office & operational buildings is about 1,01,200 square meters is proposed to be provided.

- NOTE:**
- i) There may be marginal adjustments in the area proposed to be provided to the Concessionaire depending on the actual site conditions.
 - ii) The payment of upfront fee & License Fee for the above assets to be made by the Concessionaire to the Concessioneing Authority are indicated in relevant Articles / Appendices of this Concession Agreement.
 - iii) Access to the Outer harbour channel of 1700 m length, and 200 m wide to a depth of 20m
 - iv) Access to the Inner harbour channel of 1620 m length, 111 m wide to a depth of 11.80 m
 - v) Access to port for inland transport (roads of 85 Km length, bridges of 12 km length and railway network of 200 Km length)



APPENDIX 3

SUBSTITUTION AGREEMENT

THIS SUBSTITUTION AGREEMENT is entered into on this the ----- day of -----
 --- (Month) --- (Year) at -----.

AMONGST,

THE VISAKHAPATNAM PORT TRUST, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at VISAKHAPATNAM - 530035, ANDHRA PRADESH, INDIA (hereinafter referred to as "the Concessioneing 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, 1956 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 Lender". OR ZZZZ (Financial Institution / Bank) having its Registered Office / Head Office at -----
 ----- acting for and on behalf of the Lenders listed in Schedule A hereto (hereinafter referred as "the Lender's Representative").



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WHEREAS,

- a) The Concessing Authority for implementing a Project envisaging planning, engineering, designing, finance, construction, development, operation & maintenance of EQ-1A on South side of EQ-1 berth for handling thermal coal and steam coal in the inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis by private sector participation (hereinafter referred to as "the Project"), has by the Concession Agreement dated ----- entered into between the Concessing 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 Concessing Authority and the Concessionaire have agreed to enter into Substitution Agreement being these presents with the Lender/s / Lenders' Representative.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE I**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 Lender(s) to the Concessionaire for financing



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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 thereunder by the Concessionaire for a minimum period of 3 (three) months.

“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 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 Lender / Lender’s Representative pursuant to this Agreement and approved by the Concessioning 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.

12. 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 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 Lenders under the Financing Documents.

ARTICLE 3

SUBSTITUTION OF THE CONCESSIONAIRE

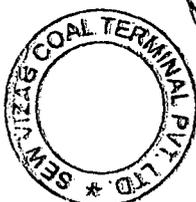
3.1 Rights of substitution

3.1.1 Pursuant to the rights, title and interest assigned under Clause 2.1, the 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 Concessions Authority hereby agrees to substitute the Concessionaire by endorsement on the Concession Agreement in favour of the Selectee selected by the Lenders in accordance with this Agreement (For the avoidance of doubt, the 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 Lenders/Lenders' Representative may issue a notice to the Concessionaire (the "Notice of Financial Default") along with particulars thereof, and send a copy to the Concessions 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.



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3.2.2 Upon issue of a Notice of Financial Default hereunder, the Lenders/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 Lenders / 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 Concessioneing 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 Concessioneing 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 Lenders / Lenders' Representative and the Concessionaire, the Concessioneing 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 Concessioneing Authority shall by a notice inform the Lenders / Lenders' Representative of its intention to issue a Termination Notice and grant 15 (fifteen) Days time to the Lenders / Lenders' Representative to make a representation, stating the intention to substitute the Concessionaire by a Selectee.

3.3.2 In the event that the Lenders / Lenders' Representative makes a representation to the Concessioneing 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 Lenders / 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



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of 180 (one hundred and eighty) Days from the date of such representation, and the Concessioneing 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 Lenders / Lenders' Representative and the Concessionaire, the Concessioneing 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 Concessioneing Authority and the Concessionaire hereby agree that on or after the date of Notice of Financial Default or the date of representation to the Concessioneing Authority under Clause 3.3.2, as the case may be, the Lenders / Lenders' Representative may, without prejudice to any of the other rights or remedies of the 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 Lenders / 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 Lenders/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



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Concession Period.

3.4.4 If the Concessions 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 Lenders / Lenders' Representative, give a reasoned order after hearing the Lenders / Lenders' Representative. If no such objection is raised by the Concessions Authority, the Selectee shall be deemed to have been accepted. The Concessions 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 Concessions Authority, the 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 Lenders / Lenders' Representative and the Concessions 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 Lenders' Representative or the Lenders or the Concessions 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 Lenders / Lenders' Representative are irrevocable and shall not be contested in any proceedings before any court or Concessions Authority and the Concessionaire shall have no right or remedy to prevent, obstruct or restrain the Concessions Authority or the Lenders / Lenders' Representative from effecting or causing the transfer by substitution and endorsement of the Concession as requested by the Lenders / Lenders' Representative.



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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 Lenders/Lenders' Representative may by a notice in writing require the Concessioning Authority to terminate the Concession Agreement forthwith, and upon receipt of such notice, the Concessioning 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 Concessioning Authority is selected and recommended by the Lenders / 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 Concessioning Authority may terminate the Concession Agreement forthwith in accordance with the provisions thereof.

5.3 Realisation of Debt Due

The Concessioning Authority and the Concessionaire hereby acknowledge and agree that, without prejudice to their any other right or remedy, the 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.



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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 Lenders, under the Financing Documents.

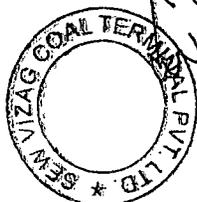
ARTICLE 7

INDEMNITY

7.1 General indemnity

7.1.1 The Concessionaire will indemnify, defend and hold the Concessioning Authority and the Lenders / 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 Concessioning 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 Concessioning 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 Concessioning



Authority.

7.1.3 The Lenders / 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 Lenders / 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 Lenders / Lenders' Representative.

7.1 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.



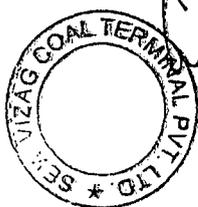
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ARTICLE 8

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 "Concessions Authority", the "Concessionaire", the "Lender" and the "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 reorganisation of any Lender, the Concessionaire or Concessions Authority, "Selectee" and the successor in interest of the Lender or Concessions 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 Concessions Authority and the Lenders / 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.



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- (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 Lenders' Representative under this Agreement shall always be deemed as consultation, recommendation or approval of every concerned Lender and each such 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 Lender(s) or the 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 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



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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.

Name and Address of the Lender	Nature and Amount of Financing Assistance.

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 LENDERS SET FORTH IN SCHEDULE I

BY : _____

Name :



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APPENDIX 4
PROJECT REQUIREMENTS

PROJECT FACILITIES AND SERVICES:

The project requirements are explained in detail in the TEFR, which is an enclosure to RFP document. However, the Concessionaire on their own shall submit the scheme and design of the Project as per the Clause No. 1.1.3 of RFP document. Brief scope of the project includes planning, designing, engineering, financing, construction, management, operation and maintenance of the project, project facilities and services

PROJECT FACILITIES :

CIVIL AND STRUCTURAL WORKS:

i. Construction of Berth:

The construction of berth includes Plan, design and construct 280m length of berth to cater to the berthing requirement of 14m draft vessels.

ii. DREDGING:

Dredging shall be carried out in stages up to ~~(-)16.10~~ m to cater to 14 m draft vessels ultimately duly synchronizing with the stage wise dredging plans of VPT. The dredging to be undertaken by the concessionaire as part of the project shall be up to 50 m from the face of the berth.

iii. Track for the ship loaders – 1500 TPH :

To facilitate loading of cargoes, and to enable movement of ship loader, provision shall be made for CR 100 rail track along the length of the berth.

iv. Foundation for the hopper track :

(This Clause is not applicable. Scope shall be as per Clause No. 1.1.3 of RFP document.)

The cargo shall be discharged from the ship's holds to conveyor installed immediately behind the berth through mobile hoppers which are proposed to move any where along the



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length of the berth for which necessary rail tracks supported on foundations shall be provided.

v. Conveyor gallery on the rear side of the berth:

(This Clause is not applicable. Scope shall be as per Clause No. 1.1.3 of RFP document.)

The Ship Loader provided on the berth shall discharge the coal from the ship's hold to a conveyor installed behind the berth through mobile hoppers which is further connected to overhead transport conveyors. Therefore, provision shall be made for the conveyor to receive the cargo from the ship to the location immediately behind the berth.

vi. Conveyor gallery and supports from berth to the stock pile area:

(This Clause is not applicable. Scope shall be as per Clause No. 1.1.3 of RFP document.)

Cargo on the unloaded conveyors will be conveyed to the stacks at the East Dumps by a system of overhead conveyors. There shall be a system of four conveyors for each of the unloading conveyors, for the transportation of Steam Coal to East Dumps.

vii. Stacker and reclaimer tracks with foundations and conveyors :

(This Clause is not applicable. Scope shall be as per Clause No. 1.1.3 of RFP document.)

Necessary railway tracks with suitable foundations and a suitably designed stacking system shall be provided consisting of receiving conveyors, stacking conveyors for stacking the cargo as well as to reclaim and transport with suitable capacities for feeding to the wagon loading system. Necessary foundation with rail tracks with foundations shall be provided for the stacker and reclaimer stacks.

viii. Development of Stock pile area including necessary ground improvement

(This Clause is not applicable. Scope shall be as per Clause No. 1.1.3 of RFP document.)

An area of 1,01,200 Sq. M. has been identified for stacking the coal at the east dumps from where the cargo is further loaded into the rakes through stacking system as indicated



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above. Ground improvement shall be carried out for the stock pile area, for soil improvement by installation of suitably designed PVC band drains or similar methods at suitable spacing and pattern and pre-consolidation by keeping the pre-load of sufficient height of gravel for designed preload period. Upon soil stabilization the stockpile area shall be provided with hard standing comprising stone soling and filling the gaps with stone spalls. This soil improvement would enable stack heights of the order of 7 Mtrs. as required to cater to the throughput requirement.

ix. Wagon loading platform with suitable foundation and conveyor supports :

(This Clause is not applicable. Scope shall be as per Clause No. 1.1.3 of RFP document.)

The Wagon Loading System consists of Wagon Loading Conveyor and Wagon Loader. The reclaimed cargo from the Reclaiming Conveyors shall be fed to the Wagon Loading Conveyor through link conveyors and the reclaimed cargo shall be loaded into the wagons by the traveling wagon loader. The Wagon Loading System shall be installed on an elevated platform of sufficient height to ensure free unhindered movement of the trains

x. Railway tracks :

Railway tracks shall be provided for supporting various mechanical equipment and the railway train movement and the same shall be proposed on a formation over the natural ground with suitable stone aggregates as base course, PSC sleepers and necessary rail fixtures.

xi. Dust Suppression System and dust extraction system:

The entire stock pile area and transfer houses of the conveyor gallery are to be provided with suitable dust suppression system as an environmental mitigative measure to control the dust that may arise during the operations, duly ensuring compliance to the standards as expected by the authorities concerned.



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xiii. Green Plantation and perimeter walls:

To contain the finer particles in the air due to cargo handling operation and to improve aesthetics in the area, a 10 M. thick green belt is to be provided all around the stacking area which is also an environmental mitigative measure.

xiii. Water Supply :

Water supply requirement for operational buildings and utilities shall be drawn from nearby port mains and suitable provisions are to be made for the pipelines etc.

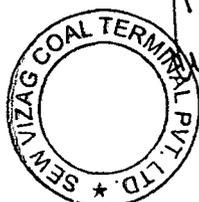
xiv. Dismantling :

Dismantling of

- BB Jetty, Tug Tie up jetty, Port Work shop, Old General Stores, Office Buildings, Foundry shops, Scooter sheds, workers welfare buildings, overhauling sheds, toilet buildings etc.,

EQUIPMENT ENVISAGED FOR THE PROJECT:**Equipment:**

- i) Ship loaders (1500TPH) – 2 No.
- ii) Twin wagon tippler – 27 tips / hr - 1 No.
- iii) Stacker (1500 TPH) – 1 No.
- iv) Belt conveyors – (3000TPH) – 5.00 KM long
- v) Metal detectors and weighers - 4+2 Nos
- vi) Reclaimer(1500TPH)– 1 No.
- vii) Reclaimer cum Stacker (1500 TPH) – 1 No.
- viii) Drive houses and transfer houses
- ix) Pay loaders and dozers – 2 Nos each
- x) Work shop equipments, Electrical power and control switch gears including area illumination.



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- ii) Electrical power and control switch gears
- o Develop utilities and services such as communication, office accommodation, etc required for operation of the berth.
- o Compliance with environmental laws during implementation i.e. construction, operation and maintenance.

PROJECT SERVICES: means

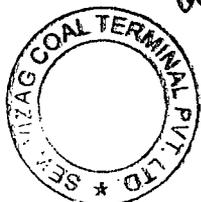
- (a) Providing berthing facilities to the vessels.
- (b) Providing handling facilities for discharge, storage, delivery and receipt, storage, shipment of cargoes duly achieving the standards of performance, safety, etc., as set out in the Concession Agreement and rendering all other services incidental thereon.
- (c) Taking custody of cargo both in terms of Customs Act, 1962 and M.P.T. Act, 1963.
- (d) Providing any other services to ships except pilotage, towage and mooring.

Security Clause:

The Concessionaire shall at all times during the concession period obtain clearance from concessioning Authority before employment / deployment personnel of foreign nationality and sourcing equipments from foreign countries.

In addition, the following shall be complied:

- a) The Associate member of M/s PRSB viz, (a) M/s Westports holdings Sdn Bhd and (b) M/s Westports Malaysia Sdn Bhd shall have no relationship whatsoever with M/s PRSB's role in SEW – PRSB Consortium for undertaking the Project;
- b) That the Associate members of M/s PRSB shall not interfere in any manner whatsoever in the role of M/s PRSB or otherwise of the consortium in the development of the Project
- c) If M/s PRSB, the consortium partner, employs any Chinese worker (i.e from Mainland China or Taiwan or Hongkong), whether on contract or otherwise,



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it shall, before employing any such worker, obtain separate clearance for such workers.

Annexure

CONSTRUCTION STANDARDS, OPERATIONS AND MAINTENANCE STANDARDS AND SAFETY STANDARDS

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. List of standards for construction, operation & maintenance are annexed to this Article. In the absence of both, the Concessionaire 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.

A. General

The Concessionaire shall execute the project by completing civil works as per the Project Requirements 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.



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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 and handling of bulk cargo, 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, 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.



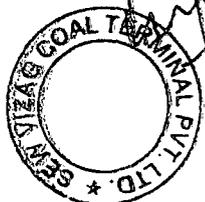
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IS 4651-Part 5-1980:	Code of practice for planning and design of ports and harbours Part:5 Layout and functional requirements
IS 7314: 1974	Glossary of terms relating to port and harbour engineering
IS 9527: Part 1: 1981	Code of practice for design and construction of port and harbour structures: Part 1 Concrete monoliths
IS 9527: Part 3:: 1983	Code of practice for design and construction of port and harbour structure: Part 3 Sheet pile walls
IS 9527: Part 4: 1980	Code of practice for design and construction of port and harbour structure: Part 4 Cellular Sheet pile structures
IS 9527: Part 6: 1989	Code of practice for design and construction of port and harbour structures: Part 6 Block work
IS 10020: Part 4: 1981	Recommendations for design and construction of port and harbour components Part 4 Slipways.
IS 9556: 1980	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

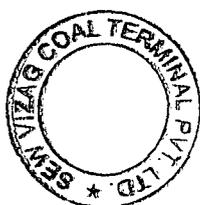


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	foundations: Part 2 Timber piles
IS 2911: Part 3: 1980	Code of practice for design and construction of pile foundations: Part 3 Under reamed piles.
IS 2911: Part 4: 1985	Code of practice for design and construction of pile foundations: Part 4 Load test on piles
IS 2950: Part 1: 1984	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 drop 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 earth quake) for buildings – dead loads, imposed loads, wind loads, snow loads, special loads and load
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	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 earth quake resistant design of structures –Part 4- Industrial Structures including Stack-like Structures.
IS 4326: 1993	Code of Practice for Earth Quake Resistant design and construction of buildings.

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. 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

Design, erection and testing (Structural Portion) of Cranes and Hoists – Code of Practice.



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BS 5400 - Part 10	Steel concrete and composite bridges - Code of practice for fatigue
IS 4137 - 1985	Specification for heavy duty electric overhead traveling and special cranes for use in steel works
<i>Material</i>	
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
IS 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

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IS: 5493 Code of practice for protective coating of iron and steel structures against corrosion
 Swedish Standard Sa 2,5 or SIS: ST3, SIS: 065900 surface preparation

General

IS: 13367: Part 1: 1992 Safe use of Cranes - Code of Practice Part 1 General

Classification of Crane

Structures

Class of utilization: U8 (4 Million loading cycles) State of loading: Q3
 Group classification: A3
 Impact factor: 1.4
 Duty factor: 0.9
 Nominal load spectrum: 0.8 of rated capacity factor

Mechanism

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

The wharf cranes shall be designed for Stability as per BS 2573 Part I & II.

Mobile Equipment

IS 4357: 2004 Methods for Stability Testing of Fork Lift 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



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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 14460: 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	Flat Belt Conveyors
IS 11592 - 2000	Code of practice for selection and design of Belt Conveyors
IS 7465 - 1974	Portable and Mobile troughed Belt Conveyor
IS 7155:Part 1: 1986	Code of recommended practice for conveyor safety : Part 1 General Information
IS 7155:Part 2: 1986	Code of recommended practice for conveyor safety : Part 2 General Safety requirement
IS 7155:Part 3: 1986	Code of recommended practice for conveyor safety : Part 3 Belt Conveyors and feeders
IS 7155:Part 4: 1990	Code of recommended practice for conveyor safety : Part 4 Vibrating Conveyor / feeder
IS 7155:Part 5: 1990	Code of recommended practice for conveyor safety : Part 5 Apron Conveyor/Apron Feeder
IS 7155:Part 6: 1990	Code of recommended practice for conveyor safety : Part 6 Selection, Training and Supervision of



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Operators

- IS 7155:Part 7: 1990 Code of recommended practice for conveyor safety
: Part 7 Inspection and Maintenance
- IS 7155:Part 8: 1994 Code of recommended practice for conveyor safety
: Part 8 Flight Conveyors (scraper conveyors)

Idlers and Pulleys

- IS 8598 – 1987 Idlers and Idlers Sets
- IS 8531 – 1986 Pulleys for Conveyors
- IS 11507 – 1985 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

D. 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'



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	Readers, 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:8028: 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: 1989	Code of Practice for Electric wiring installation
IS:694: 1990	PVC insulated Cables for working voltages upto and including 1100V
IS:1554 (Part 1):1988	PVC insulated (Heavy Duty) electric cables : Part 1 for working voltages upto and including 1100 V
IS:1554 (Part 2) : 1988	PVC insulated (Heavy Duty) electric cables : Part 2 for working volages from 3.3 kV upto and including 11 kV
IS: 7098 (Part 1) : 1988	Gross linked Polyethelene insulated PVC sheathed cables Part 1 for working voltages upto and including 1100 V
IS: 7098 (Part 2) : 1988	Gross linked Polyethelene insulated PVC sheathed cables Part 2 for working voltages from 3.3 kV upto and including 33 kV
IS: 7098 (Part 3) : 1988	Gross linked Polyethelene insulated PVC sheathed cables Part 3 for working voltages from 66 kV upto 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 IS, BS, FEM, DIN, ISO, IEC, are acceptable.

E. Operations & Maintenance Standards: Repairs, Maintenance and Replacement
The Concessionaire at it's 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 Manufacturer's manual , which need to be supplied to the Concessioning Authority by the Concessionaire.

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 Concessioning 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



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IS 146 : 1950	containers, red oxide (colour unspecified) 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 1 : 1971	Code of Practice for Painting of Ferrous Metals in Buildings - Part 1 : Pretreatment
IS 1477 : Part 2 : 1971	Code of practice for painting of ferrous metals in buildings: Part 2 Painting
IS 9954 : 1981	Pictorial Surface Preparation Standards for Painting of Steel Surfaces

E. 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 :

- I Dock Workers (Safety, Health and Welfare) Act, 1986 & Regulations framed thereunder of 1990.



21. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
31. The Petroleum Act, 1934 along with the Petroleum Rules, 2002.
41. OISD - Guidelines - 156 (Oil Industry Safety Directorate): Fire Protection Facilities for Port Oil Terminals.
51. The Explosives Act, 1884 alongwith The Explosive Substance Act, 1983 & The Explosive Rules, 1983
61. Guidelines by Fire Advisor, CCE & DG FASLI, Government of India
71. National Fire Codes (National Fire Protection Association - USA)
81. Drill Manual for the Fire Services of India.
91. International Safety Guide for Oil Tankers & Terminals.
101. ISPS (International Ship & Port Facility Security) Code (2003 Edition)
111. Marpol Convention
121. International Maritime Dangerous Goods Code.
131. Andhra Pradesh Fire Services Act 1999 (Andhra Pradesh Fire Services Act 1999 Services (Amendment) Act 2006).
141. National Building Code of India.

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SAFETY REQUIREMENTS

1 Guiding Principles

1.1 Safety Requirements aim at reduction in injuries, loss of life and damage to property resulting from accidents, irrespective of the person(s) at fault.

1.2 Users include motorised and non-motorised vessels and vehicles as well as pedestrians involved in, or associated with accidents.

1.3 Safety Requirements apply to all phases of construction, operation and maintenance with emphasis on identification of factors associated with accidents, consideration of the same, and implementation of appropriate remedial measures.

1.4 Safety Requirements include measures associated with traffic management and regulation such as signs, pavement marking, traffic control devices, Port Terminal furniture, design elements, enforcement and emergency response.

2 Obligations of the Concessionaire

The Concessionaire shall abide by the following insofar as they relate to safety of the Users:

- (a) Applicable Laws and Applicable Permits;
- (b) Manual for Safety in Port Design and Operation, issued by Ministry of Shipping / Port Trust;
- (c) Provisions of this Agreement; and
- (d) Good Industry Practice.

3 Appointment of Safety Consultant



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For carrying out safety audit of the Project, the Concessioneing Authority shall appoint from time to time, one or more qualified firms or organisations as its consultants (the "Safety Consultant"). The Safety Consultant shall employ a team comprising, without limitation, one Port safety expert and one navigation expert to undertake safety audit.

4 Safety measures during Construction period

4.1 Not later than 90 (ninety) days from the date of this Agreement, the Concessioneing Authority shall appoint a Safety Consultant for carrying out safety audit. The Safety Consultant shall collect data on all accidents in the preceding two years by obtaining copies of the relevant information from the Concessioneing Authority. The information shall be analysed for the type of victims killed or injured, impacting vessels or vehicles, location of accidents and other relevant factors.

4.2 The Concessionaire shall provide to the Safety Consultant, in four copies, the relevant drawings containing the design details that have a bearing on safety of Users (the "Safety Drawings"). Such design details shall include horizontal and vertical alignments; sightlines; Layout of the Project; provision for parked vessels and vehicles, slow moving vehicles (tractors, carts) and pedestrians; and other incidental or consequential information. The Safety Consultant shall review the design details and forward three copies of the Safety Drawings with its recommendations, if any, to the Independent Engineer who shall record its comments, if any, and forward one copy each to the Concessioneing Authority and the Concessionaire.

4.3 The accident data and the design details shall be compiled, analysed and used by the Safety Consultant for evolving a package of recommendations consisting of safety related measures for the Project. The safety audit shall be completed in a period of three months and a report thereof (the "Safety Report") shall be submitted to the Concessioneing Authority, in five copies. One copy each of the Safety Report shall be forwarded by the Concessioneing Authority to the Concessionaire and the Independent Engineer forthwith.

4.4 The Concessionaire shall endeavor to incorporate the recommendations of the Safety Report in the design of the Project, as may reasonably be required in accordance with Applicable Laws, Applicable Permits, Manuals and Guidelines. Specifications and



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Standards, and Good Industry Practice. If the Concessionaire does not agree with any or all of such recommendations, it shall state the reasons thereof and convey them to the Concessioneing Authority forthwith. In the event that any or all of the works and services recommended in Safety Report fall beyond the scope of Schedule, the Concessionaire shall make a report thereon and seek the instructions of the Concessioneing Authority for funding such works in accordance with the provisions of Article 18.

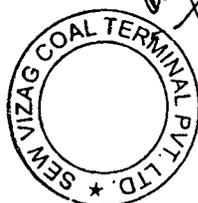
4.5 Without prejudice to the provisions of Paragraph 4.4, the Concessionaire and the Independent Engineer shall, within 15 (fifteen) days of receiving the Safety Report, send their respective comments thereon to the Concessioneing Authority, and not later than 15 (fifteen) days of receiving such comments, the Concessioneing Authority shall review the same along with the Safety Report and by notice direct the Concessionaire to carry out any or all of the recommendations contained therein with such modifications as the Concessioneing Authority may specify; provided that any works or services required to be undertaken hereunder shall be governed by the provisions thereon.

4.6 The Safety consultant, 4 (four) months prior to the expected Project completion date, shall study the Safety Report and inspect the Project to assess the adequacy of safety measures. The Safety Consultant shall complete the safety audit within a period of 4 (four) months and submit a Safety Report recommending a package of additional safety measures, if any, that are considered essential for reducing accident hazards on the Projecct. Such recommendations shall be processed, mutatis mutandis, and acted upon in the manner set forth in Paragraphs 4.3, 4.4 and 4.5 of this Schedule.

4.7 The Concessionaire shall make adequate arrangements during the Construction Period for the safety of workers and Users in accordance with Good Industry Practice for safety in construction zones, and notify the Concessioneing Authority and the Independent Engineer about such arrangements.

5 Safety measures during Operation Period

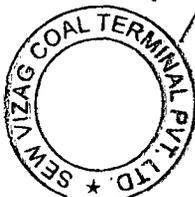
5.1 The Concessionaire shall develop, implement and administer a surveillance and safety programme for Users and workers, including correction of safety violations and



deficiencies and all other actions necessary to provide a safe environment in accordance with this Agreement.

- 5.2 The Concessionaire shall establish a Port Safety Management Unit (the "PSMU") to be functional on and after date of commercial operations (COD) , and designate one of its officers to be in-charge of the PSMU). Such officer shall have specialist knowledge and training in Port safety by having attended a course conducted by a reputed organization on the subject.
- 5.3 The Concessionaire shall keep a copy of every FIR recorded by the Police with respect to any accident occurring on the Project. In addition, the Concessionaire shall also collect data for all cases of accidents not recorded by the Police but where a vessel or vehicle rolled over or had to be towed away. The Concessionaire shall also record the exact location of each accident on a map of the Project. The aforesaid data shall be submitted to the Concessioning Authority at the conclusion of every quarter and to the Safety Consultant as and when appointed.
- 5.4 The Concessionaire shall submit to the Concessioning Authority before the 31st (thirty first) May of each year, an annual report (in ten copies) containing, without limitation, a detailed listing and analysis of all accidents of the preceding Accounting Year and the measures taken by the Concessionaire pursuant to the provisions of Paragraph 5.1 of this Schedule for averting or minimizing such accidents in future.
- 5.5 Once in every Accounting Year, a safety audit shall be carried out by the Safety Consultant to be appointed by the Concessioning Authority. It shall review and analyse the annual report and accident data of the preceding year, and undertake an inspection of the Project. The Safety Consultant shall complete the safety audit within a period of 1 (one) months and submit a Safety Report recommending specific improvements, if any, required to be made to the Project. Such recommendations shall be processed, mutatis mutandis, and acted upon in the manner set forth in Paragraphs 4.3, 4.4 and 4.5 of this Schedule.

6 Costs and expenses



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Costs and expenses incurred in connection with the Safety Requirements set forth herein, including the provisions of Paragraph 2 of this Schedule, shall be met in accordance with provisions thereon, and in particular, the remuneration of the Safety Consultant, safety audit, and costs incidental thereto, shall be shared equally between the Concessions Authority and Concessionaire.

2. RECOMMENDED INSPECTION PERIOD FOR THE PROJECT:

The periodicity for the routine inspection of the principle items of the Project is as follows:

TYPE OF STRUCTURE OR EQUIPMENT	PERIOD MONTHS	FORM OF INSPECTION
Marine Fixtures viz. Bollards, Fenders, mooring rings, ladders, mooring chains etc	12	Visual
Generating stations and sub-stations	12	Visual & physical
Quay Walls	12	Visual-diver as necessary
Navigation Masts	12	Physical
Warehouses, sheds etc	12	Visual
Workshops and machinery	12	Visual & physical
Roads and paving	6	Visual
Railways Track	1	Visual & physical



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APPENDIX 5

PROJECT SCHEDULE

Milestone date	Activity / level of completion of project
180 Days from Date of Award of Concession	10% of Construction Works should have been completed
365 Days from Date of Award of Concession	40% of Construction Works should have been completed
730 Days from Date of Award of Concession	100% of Construction Works should have been completed

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APPENDIX 6

DESIGNS AND DRAWINGS

a. Mechanical and Electrical equipment:

All the mechanical equipment and electrical equipment shall be designed as per the relevant IS code specified in Appendix-4 / manufacturers manual. The designs and the manufacturers drawings for the equipment shall be submitted by the Concessionaire for approval of the Independent Engineer.

b. Civil / Structural System

The work methodology adopted, the materials used and their sources should conform to standard engineering practices.

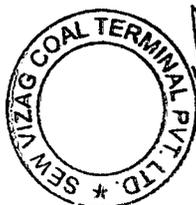
Minimum grade of concrete and grade of cement shall satisfy the requirement as stated in IS 456 (latest). Concrete in sea water or directly along the sea coast shall be at least of grade M30 as per IS 456 (latest).

The buildings shall be R.C.C. framed structure with brick wall panels. The ground slab shall be R.C.C. with plinth beams.

Steel structure shall be designed as per IS-800. Deflection limits of the structure shall be as per IS 11592 (code of practice for selection and design of belt conveyor).

The storage yard shall have a peripheral drainage channel to conduct surface water run-off to the drains out side.

The roads and parking areas shall be designed in accordance with the provision of the latest edition of the relevant I.R.C. codes of practice. The drains shall be of trapezoidal / rectangular section. R.C.C. pipe culverts / box culverts shall carry drainage under roads. Fence and gate shall be provided around the licensed area.



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Fire protection system

Necessary Fire Fighting arrangements shall be made by the Concessionaire as required at the berth as well as the stack yard.

DESIGN

The berth design shall be based on the detailed survey and investigation data collected by the Concessionaire. The drawings prepared on the basis of these designs along with the drawings required shall form part of the Concession Agreement.

All the designs and drawings shall be submitted to the Independent Engineer for review and comments. The work shall be carried out in accordance with these drawings and such other additional drawings prepared or modified as per comments of the Independent Engineer.

Berth design:

The Concessionaire unless otherwise specified may adopt any type of structure for the berth construction.

Design Criteria:

The loading standards for EAST QUAY-1A(EQ-1A) berth will have to conform to the Bureau of Indian Standards in the absence of which other relevant standards may be followed. The following data is to be used in designing the berthing structure.

A) Vertical live load :

- i) Electrical wharf crane with 10.00 Mtrs. gauge with 5% impact factor. (Detailed sketches showing loading of the crane wheels are enclosed) (Annexure-A), the design should also cater for an increase in the loading up to 50% over those given in the sketches.
- ii) B.G. Railway main line loading with impact factor anywhere on wharf (As per Railway Standard).



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- iii) Loaded crawler crane (contact area of each track about 0.90 m X 4.6 m) dead weight of the crane being 99 T. and lifting capacity 100 tonnes at lifting radius 4.50m. I.R.C. 70 R tracked or wheeled vehicles loading (IRC 6)
- iv) Uniformly distributed load of 5 tonnes per Sq. Mtrs. on the wharf and on fill behind (IS 4651 Pt.III).
- v) The deck elements shall also be designed for localized concentrated loads. For this purpose a concentrated load of 20 tons with line contact of 1.00 M. is to be considered on a width of 0.20 M.

B) LATERAL LOAD :

- i) **Earth pressures :**
Due to soil in contact with the structures including the effect of surcharge loading of 5 t./sq.m. behind the berth.
For computation of earth pressure, the soil parameters as per the design soil profile given earlier shall only be followed.
- ii) **Berthing impact.**
A horizontal reaction forces of 240 tonnes on any fender unit.
For locations other than at fenders units, the fascia wall and the structure behind shall be designed to withstand a horizontal impact force of 30 tonnes as a point load.
- iii) **Bollard pull :**
90 tonnes on each of the bollards to act simultaneously on all the bollards of every unit of berth from joint to joint.
- iv) Braking forces of 1/40th vertical live load.
- v) Seismic and wind force as per relevant IS code.
- vi) The effect of temperature on shrinkage forces.
- vii) Design dredged depth : (-) 16.10 Mtrs.
- viii) Permissible Stresses, partial safety factors for loads.



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1. SUB-STRUCTURE

- a) Limit state method of design is to be adopted and partial safety factors on materials and loads are as follows :
- i) Partial safety factors for materials strength of concrete : 1.50
 - ii) Allowable stress in steel :
Under factored load condition – 250 N/mm²
Under working load condition – 165 N/mm²
 - iii) Load factors : DL, LL and Earth pressure (E.P) - 1.50
- b) No increase in the permissible stress is allowed under the load combination of 1.5 (DL + LL + EP)
- c) Surface crack width is limited to 0.004 times the clear cover to the main reinforcement.
- d) M30 grade of concrete and FE 415 grade of steel are to be used.

2. SUPER-STRUCTURE:

- a) Limit state method of design is adopted and partial safety factors on materials and loads are as follows :
- i) Partial safety factor for material strength of concrete : 1.5
 - ii) Allowable stress in steel :
Under factored load condition – 250 N/mm²
Under working load condition – 165 N/mm²
 - iii) Load factors.
 - a) DL, LL and earth pressure – 1.50
 - b) 15% increase in the allowed stress in steel is allowed while designing the dock system for load combination of 1.5 (DL + LL + EP).
 - c) Surface crack width is limited to 0.004 times to clear cover to the main reinforcement.
 - d) M30 grade of concrete and Fe 415 grade of steel are to be used.



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- e) Minimum reinforcement in piles shall be 0.8% of the cross-sectional area for any type of pile.
- f) No alternative system with anchors (dead man etc., extending beyond the rear face of the berth will be considered).
- g) Required Holes of pressure relief in the dock shall be provided.
- h) Expansion joints in the structure shall be provided as required.

DESIGN OF STRUCTURES:

General:

- i) The complete structure shall be designed to be safe against collapse and to maintain at all times and acceptable serviceability level. These shall also be designed to be durable to withstand the deteriorating effects of climate and environment.
- ii) It is further agreed that any failure or omission of the Independent Engineer to review and / or comment hereunder shall not be construed or deemed as acceptance of any such agreement or document by the Authority. No review and / or observation of the Independent Engineer and / or its failure to review and / or convey its observations on any document / drawing shall relieve the Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall the Authority be liable for the same in any manner whatsoever.
- iii) The Concessionaire is encouraged to adopt innovative / latest techniques in design, construction and use of new materials. However, in all such cases Concessionaire shall submit all the relevant details along with guidelines and proprietary literature proposed to be followed to Independent Engineer for review and comments. It is further agreed that any failure or omission of the Independent Engineer to review and / or comment hereunder shall not be construed or deemed as acceptance of any such agreement or document by the Authority. No review and / or observation of the Independent Engineer and/or its failure to review and / or convey its observations on any document/drawing shall relieve the

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Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall the Authority be liable for the same in any manner whatsoever.

Type of Structure:

- i) The Concessionaire may choose any type of structure and structural system. Design and layout of structures shall be suitable for the soil / site conditions.
- ii) The berth super structure, sub-structure and foundation may be of plain or reinforced concrete, pre-stressed concrete or steel concrete composite construction.
- iii) The following type of structures shall not be accepted:
 - a) Steel sheet pile wall type of construction.
 - b) Wooden piled jetty.

Design period:

The structure shall be designed for design life of 50 (Fifty) years.

Width of the berth:

The width of the berth shall be not less than 1.5 Mtrs.

Analysis and design of structures:

All structures and their individual components shall be designed and developed as per the latest relevant Indian Standard Codes depending upon the type of structure/individual component proposed to be provided. The minimum cross sectional dimensions of each component shall be provided so as to satisfy the requirements specified in the relevant IS codes and the design shall taken in to account long term durability, serviceability, constructability, construction methodology and environmental factors. The earth retaining structures shall be designed for lateral earth pressure, surcharge and hydrostatic pressures and other horizontal loads.



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Design report and Drawings:

The Concessionaire shall furnish the detailed report including designs and drawings for each component of the Project such as layout plan, berth structures, drainage, fixtures and other user facilities etc., as per the requirements specified to the Independent Engineer for his review and comments if any. It is further agreed that any failure or omission of the Independent Engineer to review and / or comment hereunder shall not be construed or deemed as acceptance of any such agreement or document by the Authority. No review and/or observation of the Independent Engineer and / or its failure to review and/or convey its observations on any document / drawing shall relieve the Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall the Authority be liable for the same in any manner whatsoever.

MATERIALS**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.



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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 M-15 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:**

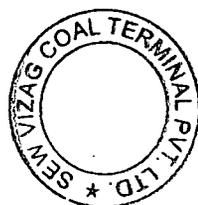
Ordinary Port land cement grades 33, 43 and 53 conforming to IS:269, IS:8112 and IS:12269 respectively or Port land slag cement conforming to IS : 455 shall be used subject to the condition that the design cement content does not exceed 540 Kg/cum and the minimum requirement of cement from durability 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.



APPENDIX 7

TERMS OF REFERENCE FOR INDEPENDENT ENGINEER

1. Role and functions of the Independent Engineer

The Independent Engineer is expected to play a positive and independent role in discharging its functions, thereby facilitating the smooth implementation of the Project. The role and functions of the Independent Engineer shall include the following:

- (i) review of the Designs and Drawings;
- (ii) review, inspection and monitoring of Construction Works and submit fortnightly progress reports to both Concessionaire and Concessioneing Authority;
- (iii) conducting Tests on completion of construction and issuing Completion / Provisional Certificate;
- (iv) determining, as required under the Agreement, the costs of any works or services and / or their reasonableness;
- (v) determining, as required under the Agreement, the period or any extension thereof, for performing any duty or obligation;
- (vi) assisting the Parties in resolution of disputes on all technical matters as per the concession agreement; and
- (vii) undertaking all other duties and functions as envisaged under the Agreement.

2. Review of Designs and Drawings

- (i) The Independent Engineer shall undertake a detailed review of the Designs & Drawings to be furnished by the Concessionaire along with supporting data, including, if relevant 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



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review and send its comments in accordance with the Agreement. In particular, such comments shall specify the conformity or otherwise of such Designs & Drawings with the Project Requirements, Construction Standards and Safety Standards.

- (ii) 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. The Independent Engineer shall take into account comments and suggestions of the Concessions Authority, if any while furnishing the comments.
- (iii) The Independent Engineer shall review the monthly progress reports as regards the Construction Works.
- (iv) 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 Construction Standards and Safety 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 Works.
- (v) The Independent Engineer may inspect the Construction Works more than once in a month if any lapses, defects or deficiencies require such inspections.
- (vi) For determining that the Construction Works conform to Construction 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. 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.

- (viii) 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.
- (viii) 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 Construction Standards.
- (ix) In the event that the Concessionaire fails to adhere to the Project Schedule and complete the Construction Works on the specified Milestone Dates, 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 the Project shall be completed. Upon receipt of a report from the Concessionaire, the Independent Engineer shall review the same and send its comments to the Concessions Authority and the Concessionaire forthwith.
- (x) If at any time during the Construction Period, the Independent Engineer determines that it is not safe to carry on Construction Works for any reason whatsoever including if the Concessionaire has not made adequate arrangements for the safety of workers or other third parties or that any work is being carried out in a manner that threatens such safety, it shall make a recommendation to the Concessions Authority forthwith, identifying the whole or part of the Construction Works that should be



suspended for ensuring safety in respect thereof.

- (xii) Upon remedial measures being taken by the Concessionaire for securing the safety of suspended works, the Independent Engineer shall inspect the safety measures for adequacy and recommend whether or not such suspension may be revoked by the Concessioneing Authority.
- (xiii) If suspension of Construction Works is for reasons not attributable to the Concessionaire, the Independent Engineer shall determine the extension of time for completion, to which the Concessionaire is reasonably entitled, and shall notify the Concessioneing Authority and the Concessionaire of the same.
- (xiv) The Independent Engineer shall carry out, or cause to be carried out, all the Tests specified in the Appendix hereto and issue a Completion Certificate or Provisional Certificate, as the case may be, in accordance with the provisions of the Agreement.



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Annexure

Tests

- 1) All materials to be used, all methods to be adopted and all works performed shall be strictly in accordance with the relevant IS specification for the project requirement. The relevant specification for the safety and navigational aspects shall be referred for the type of tests and frequency of tests. For this purpose, the responsibility of the Concessionaire and their Contractors will be as per the relevant provisions of this Agreement.
- 2) The Concessionaire shall carry out quality control tests on the material and works at the frequency stipulated in the respective IS codes. The tests on equipments and machinery shall be ensured while its manufacturing and subsequent installation at site. In case of absence of clear indication of the frequency and type of tests the Good Industry Practice shall be used for testing with the approval of the Independent Engineer.
- 3) The Concessionaire shall carry out all necessary tests on materials and works independently and keep their records for reference. The Concessionaire shall prepare a quality audit manual in consultation with the Independent Engineer to ensure better quality of work.
- 4) The provisions of type and frequency of test in relevant IS codes are minimum. The Concessionaire shall conduct all possible tests to ensure quality construction and installation of equipments and machinery.
- 5) The Independent Engineer at his discretion and consistent with the sound engineering practices shall carry out any non-destructive test on completed works, structures, equipments and machinery and any other component to ascertain the soundness of the work.
- 6) Schedule of test.
 - (i) the Concessionaire shall submit a detailed inventory and particulars of all works and equipment and machinery forming part of the agreement



- (vii) The Concessionaire shall notify the Independent Engineer for its readiness for tests to be conducted

7) Tests.

- (i) **Visual and physical test:** The Independent Engineer shall conduct a visual and physical check of the Port requirements to determine that all works and equipment forming part thereof conform to the provisions of the agreement.
- (ii) **Test drive:** The Independent Engineer shall arrange for test drives of the movable equipment for the quality of service as per the relevant provisions of the IS codes for manufacture and testing of equipments and machinery
- (iii) **Structural test :** All the equipment and machinery and structures shall be subjected to load test as the case may be for ascertaining safe working loads.
- (iv) **Environmental Audit :** The Independent Engineer shall carry out a check to determine conformity of the Project Requirements with the environment requirement set forth in Applicable Laws and Applicable Permits.
- (v) **Safety Review :** Safety Audit of the Project Requirements shall have to be undertaken with the assistance of the relevant statutory authorities and determine conformity of the Project Requirements with the provisions of the Agreement.
- (vi) **The procedures for tests:** The procedures as stipulated in the relevant IS specifications shall be adhered and the equipments for testing shall be arranged through the Concessionaire.
- 8) The Independent Engineer shall obtain a copy of operational and maintenance manuals of the Project Requirements from the Concessionaire and verify the contents of the manual in order to meet the following requirements.

The operation and maintenance manual shall essentially comprise of general requirement of O&M, O&M plans, replacement of maintenance parts, schedule of routine maintenance, schedule of preventive maintenance and periodic maintenance. The manual will also cover the minimum maintenance requirement to adhere to the Performance Standards as per the



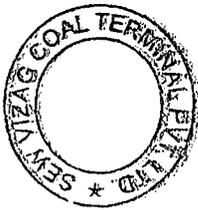
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provisions of this Agreement. The manual shall generally cover the expected failures and time taken for repairs and maintenance.

9) The test procedure shall be followed as per ASTM, BIS, IS.

10) Test shall also satisfy the appropriate Authority and certification

- (i) Dock safety Directorate
- (ii) Environmental Authority
- (iii) Director of Explosives
- (iv) Fire
- (v) Ground Water Authority
- (vi) Customs



APPENDIX 8

**PERMITS AND CLEARANCES PROCURED BY THE CONCESSIONAIRE/
CONCESSIONING AUTHORITY**

Procurement of MoEF clearance for the Project will be the responsibility of the Concessioning Authority. However, the stipulations put forth by MoEF while granting the Environmental Clearance including the Environment Management Plan shall be the responsibility of the Concessionaire.

Concessionaire is liable to obtain Applicable Permits as and when required before commencement of the construction works.

A. The following is list of Applicable Permits, the list of Applicable Permits is not exhaustive however, the Concessionaire will have to ascertain independently the Applicable Permits and indicate time frame for obtaining the Applicable Permits:

Activity	Authority
Environmental Clearance	Consent for Establishment (CFE) under the provisions of water (P&C) Act 1974 and Air (P&C) Act 1981 from Andhra Pradesh State Pollution Control Board.
Plot Plan approval	Dock safety Inspector / OISD guidelines.
Electrical Installations	Electrical Inspectorate, Govt. of Andhra Pradesh
Fire Safety Concerns	Chief Fire Officer, Hyderabad OISD guidelines or Applicable international codes / practices



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B. The following is a list of the Applicable Permits available with the Concessioneing Authority:

Activity:	Authority
Port/Inland Notification	Ministry of Shipping
Customs Notification for Part of area proposed to be leased:	Commissioner of Customs
Environmental Clearance:	Prior Environmental clearance from MoEF, New Delhi is being obtained by the concessioneing authority and the same will be made available to the concessionaire.

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APPENDIX 9

PERFORMANCE GUARANTEE

(PROFORMA OF BANK GUARANTEE)

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 favour of

THE VISAKHAPATNAM PORT TRUST, a body corporate constituted under the
provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at
Visakhapatnam – 530 035, Andhra Pradesh, India (hereinafter referred to as "the Board" or
"the Concessing 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 26-08-2010 ("the RFP") invited
duly short listed bidders to implement a project envisaging planning, engineering,
designing, finance, construction, development, operation & maintenance of EAST
QUAY(EQ-1A) on south side of EQ-1 berth for handling thermal coal and steam
coal in inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and
Transfer (DBFOT) basis by private sector participation (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 M/S SEW-PRSB ("the Consortium") OR
the Board accepted the bid of M/s. SEW-PRSB Consortium ("the Applicant") and
issued the Letter of Intent No IENG/EE(Projects)/EQ1A/Vol.VI/81 dated 19-03-
2011 ("LOP") to the Consortium/ Applicant requiring, inter alia, the execution
of the Concession Agreement, ("the Concession Agreement") the draft whereof



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was provided in the RFP;

- c). Pursuant to the LOI the Applicant / Consortium has promoted and incorporated a special purpose company M/s SEW Vizag Coal Terminal Pvt Limited ("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.
- 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 Bank Guarantee from a Scheduled Bank for a sum of Rs.156.70 million (Rupees one hundred and fifty six decimal seven zero million 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:

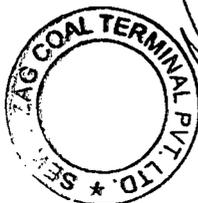
1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Concession Agreement.
2. The Guarantor hereby irrevocably and unconditionally guarantees the due execution and punctual performance by M/s. SEW Vizag Coal Terminal Pvt Limited ("the Concessionaire") 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.156.70 million (Rupees one hundred and fifty six decimal seven zero million only) within five (5) calendar Days of receipt of a written demand therefor from the Board stating that the Concessionaire has failed



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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 Concessions 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.

4. 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.
5. 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.156.70 million (Rupees one hundred fifty six decimal seven zero million only).



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6. 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.
7. 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.
8. 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



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obligations in whole or in part.

9. The obligations, covenants, agreements and duties herein shall not be subject to any counterclaims, cross claims, set offs, deductions, withholdings, diminutions, abatements, recouplements, suspensions, deferments, reductions or defence 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.
10. 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 _____.
11. 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 Visakhapatnam 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 defence, 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.



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APPENDIX 10

CERTIFICATE OF COMPLETION CERTIFICATE

- 1. I, [●] (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Agreement dated [●], for the planning, engineering, designing, finance, construction, development, operation & maintenance of EAST QUAY- 1A (EQ-1A) berth on south side of EQ-1 berth for handling thermal coal and steam coal in inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFO) basis Project, 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:

[Handwritten Signature]

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



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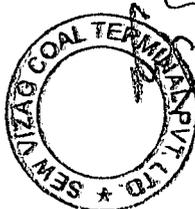
PROVISIONAL CERTIFICATE

1. I, [●] (Name of the Independent Engineer)], acting as Independent Engineer, under and in accordance with the Agreement dated [●], for planning, engineering, designing, finance, construction, development, operation & maintenance of EAST QUAY-1A(EQ-1A) berth on the south side EQ-1 berth for handling thermal coal and steam coal in inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) 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 Concessioning 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 DELIVERED For and on behalf of CONCESSIONAIRE by: (Address)

(Signature)

(Name and Designation)



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SIGNED, SEALED AND DELIVERED
For and on behalf of INDEPENDENT
ENGINEER by:

(Signature)

(Name and Designation)

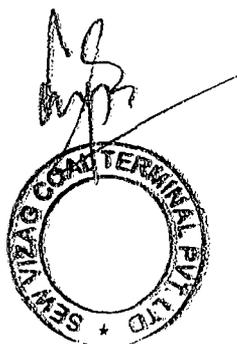
(Address)



APPENDIX II

PERSONNEL AND LABOUR REQUIREMENTS

The Project does not envisage taking over of any personnel / labour from the Authority.



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APPENDIX 12

TARIFFS

UPFRONT TARIFF SCHEDULE FOR MECHANISED HANDLING OF THERMAL COAL AND STEAM COAL AT EAST QUAY 1A BERTH AT INNER HARBOUR ON DBFOT BASIS

1.1. DEFINITIONS

In this Scale of Rates unless the context otherwise requires, the following definitions shall apply:

- (i). "Coastal vessel" means any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal licence issued by the competent authority.
- (ii). "Foreign going vessel" means any vessel other than a Coastal vessel.
- (iii). "Day" shall mean the period starting from 6.00 A.M. of a day and ending at 6.00 A.M. on the next day.

1.2. GENERAL TERMS & CONDITIONS

- (i). The status of the vessel, as borne out by its certification by the customs or Director General of Shipping, is the relevant factor to decide whether vessel is "coastal" or "foreign-going" for the purpose of levy of vessel related charges; and the nature of cargo or its origin will not be of any relevance for this purpose.
- (ii).
 - (a). The berth hire charges for all coastal vessels should not exceed 60% of the corresponding charges for other vessels.
 - (b). The cargo related charges for all coastal cargo other than thermal coal should not exceed 60% of the normal cargo related charges.
 - (c). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship shore transfer and transfer from/to quay to/from storage yard including wharfage.
 - (d). Cargo from a foreign port which reaches an Indian Port "A" for subsequent transhipment to Indian Port "B" will be levied the concession charges relevant for its coastal voyage. In other words, cargo from/to Indian Ports carried by vessels permitted to undertake coastal voyage will qualify for the concession.
- (iii). Interest on delayed payments / refunds.
 - (a). The user shall pay penal interest on delayed payments under this Scale of Rates. Likewise, the terminal operator shall pay penal interest on delayed refunds.
 - (b). The rate of penal interest will be 2% above the prime lending rate of the State Bank of India.



Signature

Signature

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- (c). The delay on refunds will be counted only 20 days from the day of completion of services or on production of all the documents required from the users, whichever is later.
- (d). The delay in payments by the users will be counted only 10 days after the date of raising the bills by the terminal operator. This provision shall, however, not apply to the cases where payment is to be made before availing the services where payment of charges in advance is prescribed as a condition in the scale of rates.
- (iv). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto and inclusive 0.5 shall be taken as 0.5 unit and fractions of above 0.5 shall be treated as one unit, except where otherwise specified.
- (v). All charges worked out shall be rounded off to the next higher rupee on the grand total of the bill.
- (vi). (a). The rates prescribed in the Scale of Rates are ceiling levels : likewise, rebates and discounts are floor levels. The terminal operator may, if they so desire, charge lower rates and / or allow higher rebates and discounts.
- (b). The terminal operator may also, if they so desire, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling levels.
- (c). The terminal operator should notify the public such lower rates and / or rationalisation of the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.
- (vii). Users will not be required to pay charges for delays beyond reasonable level attributable to terminal operator.

2. BERTH HIRE CHARGES:

Sl. No.	Vessels	Rate per GRT per hour or part thereof
		Coastal Vessel (in Re.)
1.	Vessels	0.569

Notes:

- (i). The period of berth hire shall be calculated from the time vessel occupied the berth till she vacates the berth.
- (ii). Berth hire includes charges for services rendered at the berth, such as occupation of berth, rubbish removal, cleaning of berths, fire watch etc.
- (iii). No berth hire shall be levied for the period when the vessel idles at its berth for continuous one hour or more due to non-availability / break down of terminal operator's equipment or power failure or any reasons attributable to the terminal operator.
- (iv). (a). Berth hire shall stop four hours after the time of the vessel signaling its readiness to sail.



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- (b). The time limit of 4 hours prescribed for the cessation of the berth hire shall exclude the ship's waiting time for want of favorable tide conditions, inclement weather and due to lack of night navigation.
- (c). The Master/ agent of the vessel shall signal readiness to sail only in accordance with favourable tidal and weather conditions.
- (v). The Penal berth hire shall be equal to one-day's (24 hours) berth hire charges for a false signal.
"False Signal" would be when the vessel signals readiness and asks for a pilot in anticipation even when she is not ready for un-berthing due to engine not being ready or cargo operation not completed or such other reasons attributable to the vessels. This excludes signaling readiness when a vessel is not able to sail due to unfavorable tide, lack of night navigation or adverse weather conditions."
3. **CARGO HANDLING CHARGES:**

Sl. No.	Commodity	Unit	Rate in Rupees
			Coastal
(a).	Thermal coal	Per Metric Tonne	137.53
(b).	Steam coal	Per Metric Tonne	137.53

Note:

The handling charges prescribed above is a composite charge for unloading of the cargo from the wagons; storage at the stackyard up to a free period of 5 days reclaiming from stackyard and loading on to ship including wharfage and supply of labour whenever necessary and all other miscellaneous charges not specifically prescribed in the Scale of Rates.

4. **STORAGE CHARGES:**

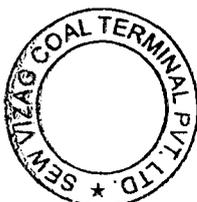
The Storage charges for the cargo stored in the stack yard beyond the free period shall be as below:

(Rate in Rs. per tonne per day or part thereof)

Sl. No.	Commodity	Rate for first 5 days for the balance cargo remaining after the free period	Rate for 6 th day to 10 th day for the balance cargo	Rate for 11 th onwards for the balance cargo
1.	Thermal coal & Steam coal	1.06	2.12	4.24

Notes:

- (i). 5 free days shall be allowed. Free period for export cargo shall commence from the actual date of the receipt of goods in the Port premises. For the purpose of calculation of free period, Custom notified holidays and Terminal's non-working days shall be excluded.
- (ii). Storage charges shall be payable for all days including Terminal's non-working days and Customs notified holidays for stay of cargo beyond the prescribed free days.
- (iii). Storage charges on cargo shall not accrue for the period when the terminal operator is not in a position to deliver / ship the cargo when requested by the user due to reasons attributable to the Terminal operator.



5. MISCELLANEOUS CHARGES:

The following Miscellaneous charges are applicable of coking coal and steam coal handled:

Sl. No.	Particulars	Rate per tonne or part thereof (in Rs.)
(1)	Charges for Sweeping, dust suppression and environment etc.	1.40

6. GENERAL NOTE TO SCHEDULE (2) TO (5) ABOVE:

The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2010 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31st March of the following year.

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APPENDIX 13

RATES APPLICABLE IN RESPECT OF LAND, UTILITIES AND SERVICES

- 1. For Land : Schedule of Rates.
- 2. For Utilities and services : Scale of Rates.

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APPENDIX 14

MINIMUM GUARANTEED CARGO

The minimum guaranteed cargo will be as follows for the project.

Period *	Minimum guaranteed cargo	
1 to 3 years	25% of 7.36 M.T.	1.84 M.T.
4 to 5 years	40% of 7.36 M.T.	2.94 M.T.
Beyond 5 years	60% of 7.36 M.T.	4.42 M.T.

* The period is reckoned from the date of commercial operations



APPENDIX 15

PERFORMANCE STANDARDS

Performance Standards

1. Gross Berth Output

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 a month divided by the time spent by the ship at the terminal i.e. number of working days at the berth.

The indicative norms for Gross Berth Output for different categories of cargo are as follows:

Cargo Category	Indicative Norms
DRY BULK:	
1. THERMAL COAL	20,000 tonnes per day for vessels up to 45,000 DWT 40,000 tonnes per day for vessels from 45,000 DWT to 80,000 DWT
2. STEAM COAL	15,000 tonnes per day for vessels up to 45,000 DWT 27,000 tonnes per day for vessels from 45,000 DWT to 80,000 DWT

2. Transit Storage Dwell Time:

(a) Bulk Cargo

The Transit Storage Dwell Time for coal / coke / mixed dry bulk cargo / liquid cargo



shall be calculated, as half of average parcel size of above cargo vessels in a month divided by average disposal of cargo from the port per day as per the following methodology:

$$\text{Average disposal of Cargo per day (A)} = \frac{\text{OB} + \text{Received/Despatched} - \text{CB}}{\text{No. of days}}$$

OB = Opening Balance, CB = Closing Balance. Average Parcel Sizes (B) = $\frac{P1 + P2 + \dots + Pn}{n}$

n(no. of parcels)

P1, P2 Pn are parcel size of each vessel in a month. Transit Storage Time for Bulk Cargo = 0.5 (B/A)

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 Concessioning Authority. The Concessionaire shall be liable to pay liquidated damages determined at the rate of 1% (one per cent) of the Gross 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 receipt / 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 $(0.7x + 0.2 y + 0.1 z)\%$.

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APPENDIX 16

ESCROW AGREEMENT

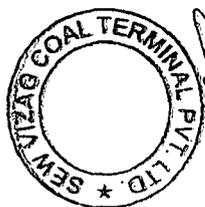
THIS ESCROW AGREEMENT is entered into on this the [●] day of [●] 20[●].

AMONGST

1. [● LIMITED], a company incorporated under the provisions of the Companies Act, 1956 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 Lenders' Representative)] and having its registered office at [●] acting for and on behalf of the Lenders as their duly authorised agent with regard to matters arising out of or in relation to this Agreement (hereinafter referred to as the "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 VISAKHAPATNAM PORT, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at Visakhapatnam - 530 035, Andhra Pradesh, India, 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 design, build, finance, operate and transfer (DBFOT) basis. The 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:

I. 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;

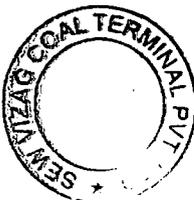
“Concession Agreement” means the Concession Agreement referred to in Recital (A) above and shall include any amendments made thereto in accordance with the provisions contained in this behalf therein;

“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;

“Lenders' Representative” means the person referred to as the Lenders' Representative in the foregoing Recitals;

“Parties” means the parties to this Agreement collectively and “Party” shall



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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 1st April to 30th June, 1st July to 30th September, 1st October to 31st December or 1st January to 31st March.

R.2 Interpretation

- R.2.1** References to Lenders' Representative shall, unless repugnant to the context or meaning thereof, mean references to the Lenders' Representative, acting for and on behalf of Lenders.
- R.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.
- R.2.3** References to Articles are, unless stated otherwise, references to Articles of this Agreement.
- R.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 Concessions Authority, the Lenders, the 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.



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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 Concessions Authority, the Lenders, the Lenders' Representative and the Concessionaire, and applied in accordance with the terms of this Agreement. No person other than the Concessions Authority, the Lenders / 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

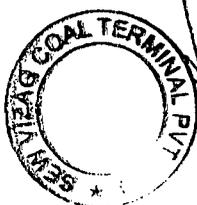
The Escrow Bank hereby agrees to act as such and to accept all payments and other amounts to be delivered to and held by the Escrow Bank pursuant to the provisions of this Agreement. The Escrow Bank shall hold and safeguard the Escrow Account during the term of this Agreement and shall treat the amount in the Escrow Account as monies deposited by the Concessionaire, Lenders or the Concessions 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 Concessions Authority, the 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 Lenders /



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Lenders' Representative and thereafter by the Concessioneing Authority.

2.3.4 The Escrow Bank and the Concessionaire shall, after consultation with the 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 Lenders (through the 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 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.

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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:

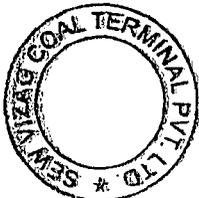
- (a) all monies received in relation to the Project from any source, including the Lenders;
- (b) all funds received by the Concessionaire from its share-holders, in any manner or form;
- (c) all Fee levied and collected by the Concessionaire;
- (d) any other revenues from or in respect of the Project/Project Facilities and Services accruing to the Concessionaire including termination payments; and
- (e) all proceeds received pursuant to any insurance claims.

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 Withdrawals during Concession Period

4.1.1 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 in a month :



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- (a) all taxes due and payable by the Concessionaire;
- (b) towards License Fee;
- (c) all construction / implementation expenses relating to the Project / Project Facilities and Services, in accordance with the Budget and subject to limits if any set out under the Financing Documents;
- (d) all expenses relating to operations and management of the Project / Project Facilities and Services, in accordance with the Budget and subject to limits if any set out under the Financing Documents;
- (e) towards its debt service obligations under the Financing Documents;
- (f) towards Royalty and other sums payable to the Concessioneing Authority and liquidated damages, if any;
- (g) towards any reserve requirements in accordance with the Financing Documents;

and the Concessionaire shall be at liberty to withdraw any sums outstanding in the escrow account after all the aforesaid payments due in any Quarter have been made and/or adequate reserves have been created in respect thereof for that Quarter.

4.1.2 Not later than 60 (sixty) Days prior to the commencement of each Accounting Year, the Concessionaire shall provide to the Escrow Bank, with prior written approval of the Lenders' Representative, details of the amounts likely to be required for each of the payment obligations set forth in this Article 4.1; provided that such amounts may be subsequently modified, with prior written approval of the Lenders' Representative, if fresh information received during the course of the year makes such modification necessary.

4.2 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



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shall be appropriated in the following order of priority:

- (i) towards taxes and statutory dues payable by the Concessionaire;
- (ii) compensation to Lenders in terms of the Financing Documents towards discharge of the Concessionaire's liability under such Financing Documents;
- (iii) 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 all the aforesaid payments due have been made and / or adequate reserves have been created in respect thereof to the satisfaction of the Lenders and the Concessioneing Authority and the Escrow Agent has received a confirmation of final settlement by the Lenders and/or Concessioneing Authority.

4.3 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 utilized 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.

4.4 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.



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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.

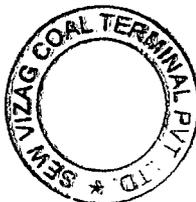
5.2 Notification of balances

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 Lenders' Representative as to the relevant Payment Dates), the Escrow Bank shall notify the 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 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



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Concessionaire of any notice or document received by it from the 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 Concessioneing Authority or the 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 Concessionaire in breach of the terms of this Agreement; or
- (c) the Concessionaire commits or causes any other breach of the provisions



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of this Agreement.

6.4.2. 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 Lenders, or any of its obligations to the Concessions 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 Concessions Authority and the Lenders' Representative, terminate this Agreement and appoint a new Escrow Bank, provided that the new Escrow Bank is acceptable to the Lenders' Representative and arrangements are made satisfactory to the 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 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 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 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 Lenders, acting through the 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 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 their lawful functions by the Concessioneing Authority, its officers, servants and agents.



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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 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 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 Visakhapatnam shall have jurisdiction over all matters arising out of or relating to this Agreement.



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10.2 Waiver of sovereign immunity

The Concessions 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 Concessions 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.



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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.



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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:

CHAIRMAN
VISAKHAPATNAM PORT
VISAKHAPATNAM – 530 035
ANDHRA PRADESH, INDIA
Fax No: +91-891-2565023
Email: info@vizagport.com



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The Concessionaire:

The MANAGING DIRECTOR

_____ Ltd

Fax No. _____

Email: _____

The Lenders/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.



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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 LENDERS by the Lenders' Representative:

- (Signature)
- (Name)
- (Designation)



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(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 Concessioneering Authority by:

(Signature)

(Name)

(Designation)

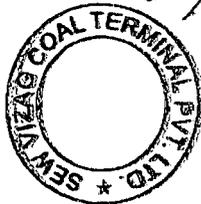
(Address)

(Fax No.)

In the presence of:

1.

2.



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APPENDIX 17

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas the Board of Trustees for Visakhapatnam Port Trust hereinafter referred to as the Concessioning Authority and the first party, proposes to award Concession to M/s SEW Vizag Coal Terminal Pvt Limited , represented by, Mr. D. Sai Prasad, Vice President (which term, unless expressly indicated by the contract, shall be deemed to include its successors and its assignees), hereinafter referred to as the Concessionaire and the second party, is willing to offer services.
2. Whereas the Concessionaire is a Special Purpose Vehicle constituted in accordance with the relevant law in the matter and the Concessioning Authority is a Major Port Trust under Ministry of Shipping, the Government of India.

Objectives:

3. Now, therefore, the Concessioning Authority and the Concessionaire agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-
- 3.1 Enabling the Concessioning Authority to obtain the desired services in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on port services, and
- 3.2 Enabling Concessionaire to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Concessioning Authority will commit to prevent corruption, in any form, by their officials by following transparent procedures.



Commitments of the Concessing Authority

4. The Concessing Authority Commits itself to the following:-
- 4.1 The Concessing Authority undertakes that no official of the Concessing 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 Concessionaire, either for themselves or for any person, organization 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.
- 4.2 The Concessing Authority will, during the pre-contract stage, treat all Concessionaires alike, and will provide to all Concessionaires the same information and will not provide any such information to any particular Concessionaire which could afford an advantage to that particular Concessionaire in comparison to other Applicants.
- 4.3 All the officials of the Concessing 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.
5. In case of any such preceding misconduct on the part of such official(s) is reported by the Concessionaire to the Concessing Authority with full and verifiable facts and the same is *prima facie* found to be correct by the Concessing Authority, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Concessing 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 Concessing Authority the proceedings under the contract would not be stalled.



Commitments of Concessionaires

6. The Concessionaire commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his 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 commits himself to the following:-
- 6.1 The Concessionaire 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 Concessioneing Authority, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.
- 6.2 The Concessionaire further undertakes that he 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 Concessioneing 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.
- 6.3 The Concessionaire 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.
- 6.4 The Concessionaire will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 6.5 The Concessionaire further confirms and declares to the Concessioneing Authority that the Concessionaire is the original manufacturer / integrator / authorised government sponsored



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export entity of the defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Concessions Authority or any of its functionaries, whether officially or unofficially to the award of the contract to the Concessionaire, 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.

- 6:6 The Concessionaire, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the Concessions 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.
- 6:7 The Concessionaire shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the Concessions Authority as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Concessionaire also undertakes to exercise due and adequate care lest any such information is divulged.
- 6:8 The Concessionaire commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 6:9 The Concessionaire shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

7: Previous Transgression

- 7:1 The Concessionaire 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 Concessionaire's exclusion from the tender process.



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7.2: If the Concessionaire makes incorrect statement on this subject, Concessionaire can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

8: Earnest Money / Security Deposit

8.1: Every Concessionaire, while submitting commercial bid, shall deposit an amount* as specified in the RFP as Earnest Money / Security Deposit, with the Concessioneing Authority through any of the following instruments.

(i) The concessionaire shall furnish as part of its Bid, a certified true copy (signed by a Director) of the Bid Security herein above in the form of a bank guarantee issued by a nationalised bank, or a Scheduled Bank in India having a net worth of at least Rs. 1,000 crore, in favour of the Authority in the format at Appendix – II (the “Bank Guarantee”) and having a validity period of not less than 180 days from the Bid Due Date, as may be extended by the concessionaire from time to time. The Bank Guarantee that is required to be submitted by the concessionaire shall be sent in original to the Authority directly by the issuing Bank vide Registered post. 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.

(ii) 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.

(iii) Any other mode or through any other instrument, as stated in RFP.

* The concessionaire shall deposit a Bid Security equivalent to [about 1% (one per cent)] of the Estimated Project Cost, i.e Rs. 31.34 million (Rupees thirty one decimal three four million) in accordance with the provisions of this RFP. The concessionaire has the option to provide the Bid Security either as a Demand Draft or in the form of a Bank Guarantee, acceptable to the Authority



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8.2 In the case of successful Concessionaire a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the Concessions Authority to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

8.3 The provisions regarding Sanctions for Violation in Integrity Pact include forfeiture of Performance Bond in case of a decision by the Concessions Authority to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.

8.4 No interest shall be payable by the Concessions Authority to the Concessionaire(s) on Earnest Money / Security Deposit for the period of its currency.

9: Company Code of Conduct

9.1 Concessionaires are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior) and a compliance program for the implementation of the code of conduct throughout the company.

10: Sanctions for Violation

10.1 Any breach of the aforesaid provisions by the Concessionaire or any one employed by him or acting on his behalf (whether with or without the knowledge of the Concessionaire) or the commission of any offence by the Concessionaire or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other act enacted for the prevention of corruption shall entitle the Concessions Authority to take all or any one of the following actions, wherever required:-

- (i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Concessionaire. However, the proceedings with the other Concessionaire(s) would continue.



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- (ii) The Earnest Money / Security Deposit / Performance Bond shall stand forfeited either fully or partially, as decided by the Concessions Authority and the Concessions Authority shall not be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed, without giving any compensation to the Concessionaire.
- (iv) To recover all sums already paid by the Concessions Authority, and in case of an Indian Concessionaire with interest thereon at 2% higher than the prevailing Prime Lending Rate, while in case of a Concessionaire from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Concessions Authority from the Concessionaire in connection with any other contract, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
- (v) To encash the advance bank guarantee and performance bond, if furnished by the Concessionaire, in order to recover the payments, already made by the Concessions Authority, along with interest.
- (vi) To cancel all or any other Contracts with the Concessionaire.
- (vii) To debar the Concessionaire from entering into any bid from any of the Major Ports in India for a minimum period of five years, which may be further extended at the discretion of the Concessions Authority.
- (viii) To recover all sums paid in violation of this Pact by Concessionaire to any middleman or agent or broker with a view to securing the contract.
- (ix) If the Concessionaire or any employee of the Concessionaire or any person acting on behalf of the Concessionaire, either directly or indirectly, is closely related to any of the officers of the Concessions Authority, or alternatively, if any close relative of an officer of the Concessions Authority has financial interest/stake in the Concessionaire's firm, the same shall be disclosed by the Concessionaire at the time of filing of tender. Any failure to disclose the interest involved shall entitle



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the Concessioneing Authority to rescind the contract without payment of any compensation to the Concessionaire.

The term 'close relative' for this purpose would mean spouse whether residing with the Government servant or not, but not include a spouse separated from the Government servant by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependant upon Government servant.

(x) The Concessionaire 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 Concessioneing Authority, and if he does so, the Concessioneing Authority shall be entitled forthwith to rescind the contract and all other contracts with the Concessionaire. The Concessionaire shall be liable to pay compensation for any loss or damage to the Concessioneing Authority resulting from such rescission and the Concessioneing Authority shall be entitled to deduct the amount so payable from the money(s) due to the Concessionaire.

(xi) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the Concessioneing Authority with the Concessionaire, the same shall not be opened.

10.2 The decision of the Concessioneing Authority to the effect that a breach of the provisions of this Integrity Pact has been committed by the Concessionaire shall be final and binding on the Concessionaire, however, the Concessionaire can approach the monitor(s) appointed for the purposes of this Pact.

11. Fall Clause

11.1 The Concessionaire shall strive to accord the most favoured customer treatment to the Concessioneing Authority in respect of all matters pertaining to the present case.



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12. *Independent Monitors*

12.1 The Concessing Authority will appoint Independent Monitors for this Pact, in consultation with the Central Vigilance Commission.

12.2 As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform Chairman, Visakhapatnam Port Trust under Ministry of Shipping, Government of India.

13. Examination of Books of Accounts

In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Concessing Authority or its agencies shall be entitled to examine the Books of Accounts of the Concessionaire and the Concessionaire shall provide necessary information of the relevant financial documents in English and shall extend all possible help for the purpose of such examination.

14. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Concessing Authority i.e. Visakhapatnam, Andhra Pradesh.

15. 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.

16. Validity

16.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 30 years or the complete execution of the contract to the satisfaction of both the Concessing Authority and the Concessionaire, whichever is later.



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

17. The Parties hereby sign this Integrity Pact at Visakhapatnam on 3rd February 2012.

CONCESSIONING AUTHORITY

[Handwritten Signature]

CHAIRMAN
VISAKHAPATNAM PORT
VISAKHAPATNAM

CONCESSIONAIRE

[Handwritten Signature]



D. SAIPRASAD
M/s. SEW VIZAG COAL TERMINAL PVT LTD
6-3-871, SNEHALATA',
GREENLANDSROAD,
BEGUMPET, HYDERABAD - 500016,
ANDHRA PRADESH, INDIA

Witness:

1: *[Handwritten Signature]*
(M. K. ANNA REDDY)
Jr. ENGINEER

2: *[Handwritten Signature]*
(K. VENKATESWARAN)
Sr. Asst.

Witness:

1: *[Handwritten Signature]*
(JAYACHANDAR KODALI)

2: *[Handwritten Signature]*
(V. RUKMANGADUV)

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Annexure

The following documents shall form part of the Concession Agreement as directed under Detailed Order sent by M/s. Visakhapatnam Port Trust vide Letter No. IENG/EE(Projects)/EQ-10/Vol.VI/126 dated 27.04.2011.

- 1) Statement Showing the Correspondence Exchanged Between M/s. Visakhapatnam Port Trust (VPT) and M/s. SEW-PRSB Consortium, Hyderabad including the Correspondence Exchanged (included as annexures to the Statement).
- 2) Statement Showing the Correspondence Exchanged Between M/s. SEW-PRSB Consortium, Hyderabad and M/s. Visakhapatnam Port Trust (VPT) – Incoming Letters including the Correspondence Exchanged (included as annexures to the Statement).
- 3) Statement Showing the Correspondence Exchanged Between M/s. SEW-PRSB Consortium, Hyderabad and M/s. Visakhapatnam Port Trust (VPT) – Outgoing Letters including the Correspondence Exchanged (included as annexures to the Statement).



STATEMENT SHOWING THE CORRESPONDENCE EXCHANGED BETWEEN VPT AND
M/s. SEW-PRSB CONSORTIUM, HYDERABAD

1. VPT's Ir No. IENG/EE(Projects) /EQ-1A/405 Dt. 26-8-2010.
2. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW-PRSB/Visakhapatnam Port Trust/eq-1A/2010 dt. 1-9-2010.
3. M/s. SEW Infrastructure Limited Ir No. SEW/2010/VPT/EQ/V/003 Dt.21-9-10
4. VPT's Ir No. IENG/EE(Projects)/EQ-1A/2010 Dt. 15-10-2010 (Corrigendum-1)
5. VPT's Ir No. IENG/EE(Projects)/EQ-1A/460B Dt. 18-10-2010
6. VPT's Ir No. IENG/EE(Projects)/EQ-1A/462 Dt. 19-10-2010
7. VPT's Ir No. IENG/EE(Projects)/EQ-1A Dt. 19-10-2010 (Corrigendum-2).
8. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2010/RS dt. 29-10-2010
9. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2010/RS dt. 1-11-2010
10. VPT's Ir No. IENG/EE(Projects) /EQ-1A/490 Dt. 19-11-2010
11. VPT's Ir No. IENG/EE(Projects) /EQ-1A/ Dt. 19-11-2010 (Corrigendum - 3).
12. VPT's Ir No. IENG/EE(Projects) /EQ-1A/495 Dt. 25-11-2010.
13. VPT's Ir No. IENG/EE(Projects) /EQ-1A/Pt. V/534 Dt. 24-12-2010.
14. VPT's Ir No. IENG/EE(Projects) /EQ-1A Dt. 24-12-2010 (Corrigendum - 4).
15. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2010/RS dt. 18-1-2010.
16. VPT's Ir No. IENG/EE(Projects) /EQ-1A/Pt. V/38 Dt. 11-2-2011.
17. VPT's Ir No. IENG/EE(Projects) /EQ-1A/Pt. V/46 Dt. 17-2-2011.
18. VPT's Ir No. IENG/EE(Projects) /EQ-1A/Pt. V/50 Dt. 21-2-2011.
19. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2010/RS dt. 21-2-2011.
20. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2010/RS dt. 21-2-2011.
21. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2010/RS dt. 22-2-2011.
22. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW/PRSB/F.EQ-1A/2011/RS dt. 23-2-2011.
23. VPT's Ir No. IENG/EE(Projects) /EQ-1A/Vol.VI/81 Dt. 19-3-2011 (LOA).
24. M/s. SEW-PRSB CONSORTIUM, HYD Lr. No. SEW-R.BD/F.EQ-1A/2011/RS dt. 21-3-2011.
25. Detailed order under letter No. IENG/EE(Projects)/EQ-1A/Vol.VI/126 Dt. 27-4-2011.



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SPEED POST

विशाखपट्टणम पोर्ट ट्रस्ट / अभियंता विभाग

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO9001 PORT

ISO14001 PORT

OHSAS 18001 PORT

No: HENG/EE(Projects)/EQ-1A/ 485

Dt. 26-8-2010.

To,

- 1) MARG Ltd., and IVRCL Infrastructures & Projects Limited., Chennai
- 2) Mundra Port and Special Economic Zone Ltd., - Adani Enterprises Ltd., Ahmadabad
- 3) Shapoorji Pallonji & Co., Ltd., Mumbai
- 4) Sical Logistics Ltd., Chennai
- 5) IMC Ltd., - IFD Cementation India Ltd., Chennai
- 6) Navayuga - Anrak Consortium, Hyd
- 7) SEW-PRSE Consortium, Hyd

Sir,

Sub: Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

In pursuance of your application in response to our Request for Qualification for the subject project (the "RFQ), you were short-listed as a Bidder, in accordance with the provisions of the RFQ for the aforesaid project.

You are requested to participate in the Bid duly submitting your Financial proposal (the "Bid") for the aforesaid Project in accordance with the RFP.

You are requested to remit an amount of Rs. 80,000/- by way of D.D. drawn in favour of F&S/CAO /VPT towards issue of RFP documents.

Please note that the RFP documents for the subject Project shall be opened only upon receipt of necessary Security Clearance and Project Clearance from the Ministry.

Also please find enclosed herewith a copy of the Schedule of Bidding Process for the subject Project for ready reference and guidance.

Yours faithfully,

[Signature]
CHIEF ENGINEER
26/8/10
o/c
28.8

Encl: As above.

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27/8/10
REPATCHER



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EO-1A BERTH

Date of Issue of RFP: 27.08.10

Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

<u>Event Description</u>	<u>Date</u>
1. Last date for receiving queries	21.09.10
2. Pre-Bid meeting-1	24.09.10
3. Authority response to queries latest by	01.10.10
4. Pre-Bid meeting-2	06.10.10
5. Authority response to queries latest by	13.10.10
6. Bid Due Date	29.10.10 Up to 14.30 hrs
7. Opening of Bids On Bid Due Date	29.10.10 at 15.00 hrs
8. Letter of Award (LOA)	26.11.10
9. Validity of Bids	26.02.11
10. Signing of Concession Agreement	24.12.10

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Sending Confirm

Date : 27-AUG-2010 FRI 11:46
Name : CHE WPT
Tel. : 2564787

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Result	:	OK

SEW - PRSB Consortium

238

SEW-PRSB/Visakhapatnam Port Trust/eq-1A/2010

Date: 01-09-2010



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JA
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3/9/10

To,

Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam-530 035,
Andhra Pradesh, India.
Telephone: +91-891-2565289,
E-mail: vpt@vizagport.com.

Dear Sir,

Sub:- Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis'-Request to issue the Bid Document

Ref:- No. HENG / EE (Projects) /EQ-1A/ Dt.26-8-2010.

With reference to your letter as cited above,

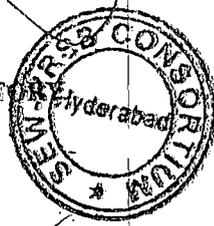
We (M/s. SEW - PRSB CONSORTIUM) hereby authorise our Representative whose signature attested below to collect the bid Document for the subject work.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM

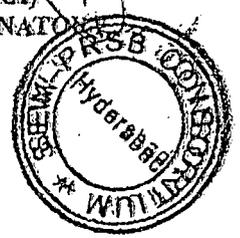
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AUTHORIZED SIGNATORY



Handwritten signature: Ramen Dhariwal

Signature Attested

(LALIT ARORA)
AUTHORIZED SIGNATORY



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ISSUED BY COMPUTER PRINTER
कंप्यूटर प्रणाली के माध्यम से जारी किया गया है
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मुख्यालय: कां. वि. शाखा, हैदराबाद
Issuing Branch: CAG Branch, Hyderabad
कोड नं. / CODE No: 13039
टेली. नं.: 040-23421427

भारतीय स्टेट बैंक
State Bank of India
मांगद्राफ्ट
DEMAND DRAFT

श. नं. 8004 पर अधिक के हिसाब से अधिकतम रूपांतरित नहीं हो सके हैं।
INSTRUMENTS FOR RS. 8,000 & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS
दिनांक / DATE: 31/08/2018
Key: WILLAS
Sr. No: 996007

नाम: जनेपर ON DEMAND PAY FA & CAO / VPT

या उनके आदेश पर CR ORDER

रुपये	THOUS	HUND	TENS	UNITS
RUPEES	ZERO	ZERO	ZERO	ZERO

₹ Rs. 80000 पैसे 000

AMOUNT BELOW 8000 (9/5)

PAISE ZERO ONLY

अदा करें।
मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक
STATE BANK OF INDIA
मुख्यालय: कां. वि. शाखा, हैदराबाद
Issuing Branch: CAG Branch, Hyderabad
कोड नं. / CODE No: 13039
टेली. नं.: 040-23421427

अधिकृत हस्ताक्षर / AUTHORIZED SIGNATURE
K. 8335
CAG VPT (13039)
मुख्यालय: कां. वि. शाखा, हैदराबाद
Issuing Branch: CAG Branch, Hyderabad
कोड नं. / CODE No: 13039
टेली. नं.: 040-23421427

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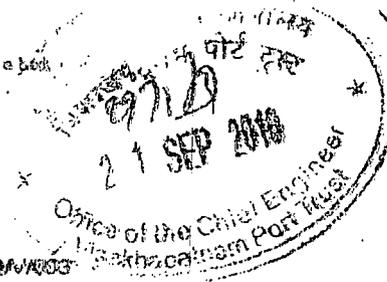
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50 Years of Excellence

01. 21st Sep 2010

SEW Infrastructure Ltd.



Ref: SEW/2010/NPT/EQ/1A/003

To,
Chief Engineer,
VISHAKAPATNAM PORT TRUST,
Vishakapatnam - 530035
Andhra Pradesh

Tel: +91 891 2565289, 2873340
Fax: +91 891 2565023

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for project - 1A
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Project: 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 Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis AND

Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis

Subject: Request for Clarification of Queries

Sir,

With reference to the request for proposal for the subject projects, we wish to seek clarifications for the following issues:

Sl. No.	Reference Document	Ref Clause	Query
1.	DPR Document	Drawings Layouts	Stacking Area The stacking area for the 2 packages are shown in the same location on the layout plans. Please confirm whether the area available is 50 acres i.e. 2 x 25 acres plots.
2.	Concession Agreements	Appendix 4 - Project Requirements	Length of Conveyor System: The DPR proposes a total of 5km of conveyor length where as the stacking area is shown adjacent to the Berth. Please confirm the reason for this.
3.	RFP Document	Cl. 1.3- Schedule of Bidding Process.	Pre-bid Meeting schedule: The schedule for pre-bid meeting for the two packages may kindly be modified to be on the same day.

Looking forward to a successful relationship in the future.

Thanking You.

Yours Sincerely,

FOR SEW Infrastructure Limited

(Lalit Arora)

Ass. Vice President (CD)



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Regd Office:
6-3-871, 'Snehalata', Greenlands Road, Beerunjel,
Hyderabad 500 016, A.P. India

Received 9/21/2010 11:12 AM

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VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

No. FENG /PROJECTS/EQ-1A/2010
Dt. 05.10.10

CORRIGENDUM No.1

Subj: "Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth for handling thermal coal and steam coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOF) basis" - Reg.

Item	As per RFP issued on	As corrected now
Clause 2.12.1, page 23, RFP	Bids should be submitted before <u>1100</u> hours IST on the Bid Due Date the person specified at Clause 2.11.5.	Bids should be submitted before <u>1430</u> hours IST on the Bid Due Date the person specified at Clause 2.11.5.

(Signature)
CHIEF ENGINEER

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విశాఖపట్టణం పోర్టు ట్రస్టు / ఇంజనీరింగ్ విభాగం
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO9001 PORT
ISO14001 PORT
OHSAS 18001 PORT



No: IENG/EE(Projects)/EQ-1A/460 B
Dt. 18-10-2010.

To,

- 1) MARG Ltd., and IVRCL Infrastructures & Projects Limited., Chennai
- 2) Mundra Port and Special Economic Zone Ltd., - Adani Enterprises Ltd., Ahmadabad
- 3) Shapoorji Pallonji & Co., Ltd., Mumbai
- 4) Sical Logistics Ltd., Chennai
- 5) IMC Ltd., - ITD Cementation India Ltd., Chennai
- 6) Navayuga - Anrak Consortium, Hyd
- 7) SEW-PRSB Consortium, Hyd

Sir,

Sub: Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

Please find enclosed herewith a copy of the statement showing the replies to queries raised by the bidders vide Annexure B in connection with the subject Project for information and to take necessary further action.

Yours faithfully,


CHIEF ENGINEER
18/10/10

Encl: As above.

etc



20/10/2010
DESPATCHED











VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

EQ-1A BERTH
ANNEXURE - B

Name of work : Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth for handling thermal coal and steam coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"

S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
1.		Please provide Auto-CAD drawing of allocated land with clear demarcation of all temporary and permanent structure with all existing and proposed development be availed.	The detailed layout drawing (in soft as well as hard copy format) as desired is enclosed as Annexure-I & IA. Necessary planning of the required facilities shall be the responsibility of the Concessionaire subject to approval of Concessioning Authority and Independent Engineer and subject to adhering to Technical and performance standards as per Concession Agreement.
2.		In the concession agreement document of EQ-1A (export terminal), the page no 142 reads, under heading "conveyor gallery on the rear side of berth", as "The ship loader provided on the berth shall discharge the coal from the ship's hold to a conveyor.....". Is this berth to be used for unloading of cargo from ship?	The scope of work shall be as indicated thereon as per the RFP, at clause 1.1.3. Necessary corrections as required as per the RFP are being carried out as appropriate in the Concession agreement.
3.		The same document shows that Wagon loading platform, it shall be Wagon tippler for export terminal. At many places in the document ship unloading is mentioned whereas this terminal is for the export of cargo so ship loading is required, pl. correct the same.	The scope of work shall be as indicated thereon as per the RFP, at clause 1.1.3. Necessary corrections as required as per the RFP are being carried out as appropriate in the Concession agreement.
4.		Pl. confirm the way of monitoring of progress (Appendix V) i.e. physical or financial.	Provisions made in the CA holds good



S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
5.		Can Bidder have choice to select the Jetty unloading crane (Type & Capacity) as per detailed engineering keeping the performance standards intact ?	The equipment / configuration, mentioned are indicative. The Concessionaire can provide alternative equipment subject to approval of the Concessioneing Authority and Independent Engineer and subject to adhering to Technical and Performance standards indicated thereon as per the Concession agreement.
6.		Can Bidder go for higher stacking height ?	The stacking methodology shall be approved by APPCB during issue of CPE. The Concessionaire can adopt their own configuration by meeting the environmental requirements, subject to approval of APPCB, the Concessioneing Authority and the Independent Engineer and adhering to Technical and Performance standards indicated thereon, as per the Concession Agreement.
7.		a) The capital cost estimates indicated in the TEFPR shows an estimated cost of Rs 50 CR against belt conveyor of 3000 TPH of 5 kms length. This seems to be under estimated. b) Can the port provide details of the estimated cost with breakup.	a) The cost of the equipment arrived based on the information from the suppliers as on the date of the estimation. b) The bidder shall obtain required information independently and arrive at the costs. VPT cannot provide the details.
8.		The costs of admin building and other utility buildings are not considered in the estimates.	The cost of the project inclusive of the same.
9.		Please specify if any specific requirement for type of conveyor gallery and Dust suppression system. We prefer to keep the open gallery with conveyor covered with hood, ensuring all prevailing environmental norms and condition.	Conveyor gallery shall be covered type but not open. The Concessionaire can provide alternative configuration duly ensuring the environmental requirements, subject to approval of APPCB, the Concessioneing Authority and the Independent Engineer and adhering to Technical and Performance standards indicated thereon, as per the Concession Agreement.
10.		Please confirm that, during construction phase, Port authority will provide any additional area required for assembly if required.	Additional area will be provided for erection of temporary work sheds during construction phase as per the prevailing terms and conditions of VPT for temporary land use for the purposes related to execution of project and the same shall be handed over to the Concessioneing Authority in original condition after completion of the project.

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S.No	Issues, Clause No, Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
11.		Please give the reference for cost consideration for all equipments in cost sheet because it seems to be higher as per actual cost & also as per our estimation.	Refer to reply at Item No. 7 above.
12.		Please provide the general layout drg with back yard location along with all existing & proposed structures. (AutoCAD format).	Refer item No.1 (Annexure-I & IA)
13.		Please confirm about if Additional Space required for office communication & office accommodation.	Refer item No.10 above.
14.		Please clarify the status of supply of power during construction phase.	Chapter - 7, page - 26 of TEFR holds good for power supply.
15.		Please specify, whether Bidder can change parameter & capacity of conveyor & equipments without changing the performance requirements.	The equipment mentioned are indicative. The Concessionaire can adopt alternative equipment subject to approval of the Concessioning Authority and Independent Engineer and subject to adhering to Technical and Performance standards indicated thereon, as per the Concession Agreement.
Electrical			
16.		Please provide the copy of condition for power supply from Aptransco corridor.	It is the responsibility of the Concessionaire to obtain the same from the authorities of APEPDCL.
17.		Distance between supply point from Aptransco switch yard to proposed project site & voltage level.	The supply point varies based on the voltage requirements of the Concessionaire and the details of the same shall be made available based on the Concessionaire's requirements.
18.		The details of interruption of power with duration & interval.	The same are available at site and the Concessionaire can make note of the same in the field on any working day upon obtaining the permission from the Concessioning Authority.
19.		Details of existing sub-station receiving point of power supply from Aptransco	Question not relevant. It is the responsibility of the Concessionaire to obtain the same from the Authorities of APEPDCL.
20.		Please provide Autocad drawing of proposed port with general arrangement of mechanical equipments.	The general arrangement drawing of the plan is provided as at item No.1 above, the rest of the planning is to be done by the concessionaire only.



S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
<u>Marine</u>			
21.		Is there any berthing allowed in the adjacent berths say EQ-2, during dismantling or construction of berths?	Yes, Berthing and handling of vessels will continue during dismantling and construction also, and the concessionaire shall ensure that there is no hindrance to Port operations at adjacent berths and no damage to the adjacent structures at any point of time.
22.		Design and drawing of existing Eq - 1 and Eq - 2 are required to know the scope of dismantling.	Available details are enclosed. The concessionaire shall assess and design on their own. Site visit can be facilitated by VPT in this regard.
23.		What part of the structure is allowed to dismantle the structure at a time? Is there time lag between dismantling and construction of berth or shall the whole structure be allowed to dismantle at a time.	Not relevant
24.		a) As per Appendix-4 of concession agreement EQ-1, it is said the existing berths EQ-1 & EQ-2 are gravity type formed with monolithic. Please provide the details of integrated part of superstructure with individual gravity structure. b) Can controlled blasting is allowed to break the integration in case ordinary breaking is not possible.	a) Refer item No.22 above b) Not allowed
25.		Please provide details like type of gravity structure, sizes, top and bottom/ founding levels, weight of the individual element, material and its grade, thickness on walls in case of caisson structure.	Refer item No.22 above
26.		Whether dredging activity shall be carried out along with dismantling activity. This shall facilitate ease to remove existing structure. Also the dredged material and dismantled material shall be used in reclaiming backup yard.	Yes, subject to approval of the Scheme by Concessioning Authority and Independent Engineer without any damage to the adjacent structures and without any hindrance to regular port operations.

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S.N o	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
27.		Is there any study carried out and methodology prepared by port authority for the safe dismantling of berth without any effect of adjoining structure/berth ?	Yes.
28.		In clause 1.1.3 of RFP, it is mentioned to provide return end wall. Please provide the length of wall and purpose of the wall.	A return end 55 m is to be constructed for slope protection at South end of EQ-1A
29.		In clause 3.2 of TEF Report, it is said the reconstruction can be taken up in limited window period. Please provide available frequency and time of the window period.	Question not relevant.
30.		In drawings for alternative proposals, the ultimate dredging level is given as (-) 14.0m. But in clause-7 of TEF report, the ultimate dredge level is given as -16.1m please clarify which will be the ultimate.	The ultimate dredge level is (-)16.1 m. Refer Annexure-II,IIA, IIB as enclosed.
31.		Most borehole data indicates clay up to a level of -15.0 with very low SPT- values. In option -1, anchor wall is found at level -12.0m. This may not drive required resistance to horizontal forces. Also, as the profile of each layer varies largely with rock at bottom, anchoring of diaphragm wall into rock would be difficult. Will it be possible to go with alternative berthing structures like contiguous piles etc? Can we use steel piles in place of concrete piles?	Structure with suitable diaphragm wall is required to avoid the slip failure of backup soil. The Concessionaire can provide alternative configurations including provision of diaphragm wall subject to approval of Concessioning Authority and Independent Engineer subject to complying Technical and performance standards, indicated thereon as per Concession Agreement.
32.		Surcharge load on the jetty is given as 5.0t/m ² . With clear space of 10.0 m of berth beyond the rails and with all conveyor systems, an effective storage height of only 4.5m is possible. This gives only 3.2t/m ² surcharge load on berth for 0.9t/m ³ coal. Also, as the berth is fully mechanized, can the surcharge load be reduced to 3.0t/m ² ?	Provisions made in the CA hold good.



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S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
33.		In view of large active earth pressure on the berth, request to provide surcharge load on soil behind the berth and its distance from rear edge of the berth.	Provisions made in the CA hold good.
34.		1st Para of Chapter - 5 (Page 19) of Techno economic feasibility report states that 25 acres of land is identified for this project, whereas chapter 7 (Page 28) says that backup area availability is only 10000 m ² . Please clarify.	The land indicated as Ac. 25.00 is all inclusive.
35.		Details of other stretches to be dismantling to be provided to bidder.	Refer item No.1 (Annexure - IA).
36.		Detailed topography survey of the area proposed for this project is required.	The bidder/concessionaire has to make their own arrangement for the same.
37.		Please furnish the Bathymetry survey details and present level in front of berth.	Enclosed as Annexure-III
38.		As the proposed area is approximately 100000 m ² what is the configuration of the area. How full rack will be accommodated and how the rapid wagon loading system shall be implicated by the developer.	The area identified has been planned to accommodate full rake and other required facilities. However, the provisions made are indicative. Necessary planning as required shall be carried out by the bidder / concessionaire subject to approval of the scheme by Concessioning Authority and Independent Engineer and duly meeting the performance and technical standards, indicated thereon as per Concession Agreement.
39.		Drawings provided are not readable. Clear drawings are need to be provided in AutoCAD format.	Refer item No.1(Annexure-I)
40.		Drawings of Eq - 7 berth is needed.	Not relevant

29/11/17

S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
41.		Section 6.2 (xiii) Page-22, states that berth shall be operated on non- exclusive basis. Since developer is making the port, does not have right to assign the use to other parties. In force minimum cargo garneted can be put.	Provisions in the CA hold good.
42.		It is mentioned that the there is proposal for deepening in front of EQ berths and also there is proposal of deepening in front of EQ berths in stages up to -16.10 m ultimately in phases duly synchronized with the deepening plan of VPT duly strengthening / replacement of existing berths. Please provide us the details of VPT deepening plan, so accordingly the vessel size improvement during the concession agreement will be considered. Please provide us the stage wise detail drawings of deepening plan of VPT showing channel, basin area and berth pockets widths and depths in each stage.	Visakhapatnam Port is pursuing dredging projects to widen and deepen the navigable waterways to facilitate navigation of Panmax vessels of 230 m LOA. VPT is pursuing dredging work for further deepening to cater to 12.5 m draft vessels and 14.0 m draft vessels in stages. In respect of dredging for deepening to cater to 12.5 m draft [(-) 13.5 m dredged depth] vessels, it is expected that this work expected to be completed by June, 2011. The dredging work for deepening to cater 14.0 m draft [(-) 16.1 m dredged depth] vessels, proposals submitted to Government for approval and it is expected that this work may be completed tentatively by 2012.
43.		Dredging plan of the VPT, by what time VPT is planning to dredge up to (-) 16.1 m CD such that it should be matched with the berth completion schedule.	Refer item No.42
44.		It is mentioned in PFR that providing the railway line to and fro in storage area proposed to be in continuation of berth is found feasible for accommodating full rake of wagons. Please provide the alignment and feasibility study done by port authority. It is also mentioned in PFR clause 6.7.1 of PFR that there is possibility of providing railway siding to the proposed berth. Please clarify regarding the rail connectivity to be provided up to the area identify for the development. Please clarify the battery limit of port authority in rail connectivity.	The details are available in TEFR issued already with RFP document. Regarding rail connectivity from the back up area up to the existing port railway lines which are within 500 m distance shall be provided by the concessionaire.



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S.No	Issues, Clause No., Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
45.		It is mentioned in the PFR that land for the backup area will be allotted as per the payment terms and conditions in force as per government guideline and land policy for allotment of land. Please provide details of policy guideline and related norms if any.	Provisions made in CA hold good.
46.		Duration of the project envisaged 24 month, does not seem to be practical/ possible because of : <ul style="list-style-type: none"> • Long lead time of equipments. • Consolidation of the yard area. • Time requirement for engineering. • Demolition of structures in area. 	Provisions made in CA hold good.
47.		This may be extended to 36 months as 9 months are required to for engineering	Provisions made in CA hold good.
48.		Three alternatives were prepared for the berth in the feasibility report. Can bidder has choice for the selection of alternatives or follow the suggested alternatives only?	The Berth configuration indicated in TEFR is indicative. The Concessionaire can adopt other alternatives subject to approval of the Concessioneing Authority and Independent Engineer and subject to adhering to Technical and Performance standards indicated thereon, in the Concession Agreement.
49.		Can bidder make his own layout and system design within the battery limit of allocated land?	Refer reply to item No.48 above.
50.		Please clarify the bidder's and authority's scope for the development the railway facility.	It is the responsibility of the Concessionaire to develop railway facilities within the project arca and to provide necessary connectivity to the existing port rail grid in the nearby vicinity of the project area, which is about 500 m from the project site. Thereafter the common user rail facility of Concessioneing Authority will be made available by Concessioneing Authority for day to day rail operations



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S.No	Issues, Clause No, Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
51.		Please provide Auto-CAD drawing showing the rail and road network within the present port boundary and also for the proposed expansion work.	Refer item No.1 (Annexure-I & IA)
52.		It is presume that all necessary clearances for railway will be taken by port authority.	Not relevant
53.		Please provide details of existing road network (including crust details) along with Auto-CAD drawing. Please provide details if there is any specific utility requirement along the road and any particular utility crossing location across the road.	Refer item No.1 (Annexure-I)
54.		Please specify the spare quantity and location of source from where water supply will be provided for potable, fire fighting and dust separation. Please specify the charges if any.	It is the Concessionaire's responsibility to obtain the requisite water for the project from GVMC and the Tariff structure of water can be obtained from GVMC, Visakhapatnam.
55.		Please provide location of Sewage Treatment plant for disposal of sewage using browser. Is septic tank with soak pit allowed for buildings?	The concessionaire shall make their own arrangements w.r.t Sewage Treatment and method of disposal as per BIS and other statutory requirements as applicable.
56.		Please provide details of existing water supply, sewerage and storm water drainage system along with the drawing in Auto-CAD format.	Location of the same as relevant to this project are shown in enclosed plan. Details shall be ascertained, planned and provided by concessionaire duly conducting site survey on their own.
57.		Corridor for disposal of storm water beyond the backup yard boundary up to the disposal point at sea/ common drain, if any may please be provided.	Refer reply to item No. 56 above.
58.		Please specify that which statutory clearance will be made available by the authority and which are in the scope of bidder?	Refer Appendix - 8 of the CA.
59.		Please provide details of any hydraulic modeling studies conducted by the port authority in the port area.	Not possible.



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S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
60.		Please provide tide, wave and current studies already available with the port authority in context with EQ berths.	Refer to the details provided in TEFR.
	Geotechnical		
61.		Subsoil data provided does not include the laboratory test results, soil / rock properties etc. Whether the same can be made available.	The data available with the concessioning authority is included in TEFR. The Concessionaire shall make their own arrangement for any additional data required.
62.		All the boreholes provided are placed in the back-up area. Whether any sub-soil data is available particularly at the proposed jetty location. This is important as considerable variation is observed in the subsoil profile of the available boreholes.	Refer reply to item No.61
63.		Whether the properties of dredging material is available (for the proposed location & desired depth). This will enlight regarding the dredgeability as well as the suitability of the material for the use in back-up formation.	Refer reply to item No.61
64.		Whether bidder can explore any other foundation type or combination thereof (other than the proposed in RFP) for the jetty structure.	Refer reply to item No.48
65.	Cl.2.20.7, Pg 26 It has been mentioned that the bid security will be forfeited if the bidder submits a non-responsive bid and if the bidder with draws the bid during the period of bid validity	This is subjective and the decision lies entirely with the port. We request you to remove the points (a) & (c) in the particular clause. Otherwise provide accurate & fixed list of documents for achieving compliance.	The provisions made in RFP hold good.
66.	Cl. 1.1.3, pgl1 It has been mentioned that the port shall be operated on non-exclusive basis	The bidder should have the right to accept the cargo if port trust wants to accommodate any other cargo, for any reasons whatsoever. Further if such alternate cargo is handled, it should be counted towards the MGT criterion.	The provisions made in RFP hold good.

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253

S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
67.	Cl. 1.1.3, pg11 It has been mentioned that the proposed scheme has to be proof checked by the mentioned institutions	We believe that the institutions listed do not have suitable experts to analyse the proposal. Please consider option to hire a private player to analyse the proposal	The provisions made in RFP hold good.
68.	Dredging	Will the port authorities do the dredging for the berth? They can charge the incremental cost to the developer	The provisions made in RFP hold good.
69.	Mechanization of the berth	It has been mentioned in the RFP that the berth has to be mechanized. We believe that the scope for mechanization is too high. The 7.36 MTPA cargo can be handled without large scale mechanization or suitable optimization. Decision should be of the developer since he is giving MGT.	Refer item No.5
S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
70.	DPR Document Drawings Layouts	Stacking Area The stacking area for the 2 packages are shown in the same location on the layout plans. Please confirm whether the area available is 50 acres i.e 2 X 25 acres plots	Area earmarked for EQ-1 berth project is 25.00 Ac. Refer item No.1 for drawing
71.	Concession Agreements Appendix-4 Project Requirements	Length of Conveyor System The DPR proposes a total of 5 Km of conveyor length where a s the stacking area is shown adjacent to the berth. Please confirm the reason for this.	The conveyor routing proposed is based on the routing within the stacking area and the configuration is tentative. The Concessionaire can adopt their own configuration subject to approval of the Concessioning Authority and Independent Engineer and subject to adhering to Technical and Performance standards indicated thereon, in the Concession Agreement.
72.	RFP Document Cl. 1.3 -Schedule of bidding process	Pre-bid meeting schedule The schedule for pre-bid meeting for the two packages may kindly be modified to be on the same day.	Clause 1.3 of RFP holds good.

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ANNEXURE - I A

STRUCTURES TO BE DISMANTLED FOR THE BACK UP AREA IN CONNECTION WITH THE PROPOSED DEVELOPMENT OF EQ-1 AND EQ-2A BERTH IN THE INNER HARBOUR OF VPT

S.No	Name of the Structure	Area (m ²)	Type of structure	No. of units	Total area (m ²)
1.	Water tank (Ground)	20.33	LB		20.33
2.	Harbour Police Station	252.94	LB	G+1	505.88
3.	Police Quarters (vacant)	161.61	LB	G+1	323.22
4.	Police Quarters (vacant)	210.27	LB	G+1	420.54
5.	Police Quarters (vacant)	207.07	LB	G+1	414.14
6.	RCC shed (vacant)	61.38	LB	G	61.38
7.	Central fire station	720.07	Framed	G+1	1440.14
8.	Chief PW Inspector building & Stores (2RCC)	287.44	LB	G+1	287.44
9.	CISF commandant building (2 RCC)	1295.99	LB	G+1	2571.98
10.	Water tank (RCC columns)	25.00	Framed	--	25.00
11.	PVC water tank with masonry pedestal	16.00	LB	--	16.00
12.	AC shed	319.00	LB	G	319.00
13.	AC shed	80.00	LB	G	80.00
14.	AC Car shed	93.92	LB	G	93.92
15.	GORDON WOODROFFE Ltd. Building (1RCC)	601.23	LB	G	601.23
16.	MC complex office building	318.64	LB	G+1	637.28
17.	Duty post	17.90	LB	G	17.90
18.	Scooter Shed	109.26	AC roof	G	109.26
19.	Merchant Navy Club with Mangalore tiled roof	237.90	LB	G	237.90
20.	EXE (E/M) office	637.71	LB	G	637.71
21.	Stores	118.94	AC roof	G	118.94
22.	CISF Pass section	588.94	AC roof	G	588.94
23.	Port Registration Office	69.96	LB	G	69.96
24.	Bhanoji Rao shipping Agency bldg	282.95	LB	G+1	565.90
25.	Bhanoji Rao shipping Agency bldg	129.27	LB	G+1	258.54
26.	Ship passengers rest room	185.47	AC	G	185.47
27.	Small building	15.40	LB	G	15.40
28.	Small shed	43.00	AC roof	G	43.00
29.	Small shed	49.31	AC roof	G	49.31
30.	KR & Sons building	489.22	LB	G	489.22
31.	Small building	65.20	LB	G	65.20
32.	Port cargo handling misc works welfare association building with truss	59.01	AC roof	G	59.01
33.	Port cargo handling misc works welfare association building with truss	27.58	AC roof	G	27.58
34.	Lunch room with Mangalore tiled roof	180.93	LB	G	180.93
35.	Store room	105.71	LB	G+1	105.71
36.	O/o EXE, OSTT (Mech)	34.34	LB	G	34.34
37.	Scooter shed	31.07	AC roof	G	31.07
38.	Foundry shop	455.00	AC roof	G	455.00
39.	Coal stack	26.08	AC roof	G	26.08
40.	Toilets	33.32	LB	G	33.32
41.	Toilets	14.45	LB	G	14.45
42.	Toilets	34.17	LB	G	34.17
43.	Toilets	10.27	LB	G	10.27
44.	Watch tower	2.16	Steel St.	--	2.16
45.	CISF duty post	3.18	RC Slab	G	3.18
46.	CISF duty post	1.64	RC Slab	G	1.64
47.	O/o EXE	227.16	LB	G	227.16
48.	B B Jetty	398.44	Piled St.	--	398.44
49.	Customs Office	78.49	LB	G	78.49
50.	CISF duty post	3.88	RC slab	G	3.88
51.	Motor room	37.38	AC roof	G	37.38



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S.No	Name of the Structure	Area (in m ²)	Type of structure	No. of units	Total area (m ²)
52.	Work shop with truss	612.93	AC roof	G	612.93
53.	Machine shop and water tank with truss	1114.64	AC roof	G	1114.64
54.	Scooter shed	22.70	AC roof	G	22.70
55.	O/o EXE	92.48	LB	G	92.48
56.	Fitting shop with truss	296.60	AC roof	G	296.60
57.	Diamond Jubilee Canteen with truss	212.39	AC roof	G	212.39
58.	Motor room	46.25	AC roof	G	46.25
59.	Loco Wheel	71.96	AC	G	71.96
60.	Defence shelter(under ground)	28.64	RC Slab	--	28.64
61.	Scooter shed	34.92	AC roof	G	34.92
62.	Vehicle parking shed	73.44	AC roof	G	73.44
63.	Vehicle parking shed	104.53	AC roof	G	104.53
64.	Repairing shed with truss	80.95	AC roof	G	80.95
65.	Vehicle parking shed	100.96	AC roof	G	100.96
66.	SMS (OH) office	27.72	GI roof	G	27.72
67.	Lunch room	96.33	GI roof	G	96.33
68.	CISF duty post	3.11	RC slab	G	3.11
69.	Stage	25.54	Masonry	--	25.54
70.	AE/ Foreman office(MVS)	226.05	RC slab	G	226.05
71.	Overhauling work shop with truss	395.61	AC roof	G	395.61
72.	Servicing section	32.73	AC roof	G	32.73
73.	Toilets & Water tank	15.61	RC Slab	G	15.61
74.	Boat Maintenance shed	35.90	AC	G	35.90
75.	SMS (IH) office	69.62	GI roof	G	69.62
76.	Store	116.26	AC roof	G	116.26
77.	1 AC shed	187.03	AC roof	G	187.03
78.	Scooter shed	27.92	AC roof	G	27.92
79.	Temple	8.28	AC roof	G	8.28
80.	Old weight bridge	33.69	--	--	33.69
81.	Old mechanical work shop with truss	1222	AC roof	G	1222
82.	DE2 Godown (Ware House - 4) with truss	3047.93	AC roof	G	3047.93
83.	FC section time office	37.39	LB	G	37.39
84.	CISF duty post (MC)	2.87	RC slab	G	2.87
85.	CISF duty post	3.39	RC slab	G	3.39
86.	CISF duty post	2.66	RC slab	G	2.66
87.	CISF duty post	23.85	RC slab	G	23.85
88.	Scooter parking	52.77	AC roof	G	52.77
89.	Scooter parking	134.03	AC roof	G	134.03
90.	Marine complex	1021.76	Framed	G+2	3065.28
91.	Ware house1 with truss	1742.31	AC roof	G	1742.31
92.	Ware house2 with truss	4072.57	AC roof	G	4072.57
93.	Tug Tie up Jetty	956.41	Piled St.	--	956.41
94.	Over hauling shed with truss	1245.00	LB	G	1245.00
95.	Customs baggage and hall	428.00	RC slab	G	428.00
96.	Canteen	338.00	RC slab	G+1	676.00
97.	Bonded ware house	34.00	AC roof	G	34.00
98.	T-2 shed with truss	5207.00	AC roof	G	5207.00
99.	Lavatory	91.00	AC roof	G	91.00
100.	Battery room	232.00	AC roof	G	232.00
101.	Engine repair room	246.00	AC roof	G	246.00
102.	Scooter shed	25.00	AC roof	G	25.00
103.	Store	336.00	AC roof	G	336.00
104.	Tyre shed	189.00	AC roof	G	189.00
105.	Toilet	6.00	AC roof	G	6.00
106.	Scooter shed	46.00	AC roof	G	46.00
107.	Water tank	7.00	--	--	7.00

LB - Load Bearing
AC Roof - Asbestos Cement Roof



Handwritten initials 'S. S. S.' and a signature.

विशाखपट्टणम बतन न्यास /अभियंता विभाग
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO9001 PORT
ISO14001 PORT
OHSAS 18001 PORT



No. IENG/EE(Projects)/EQ-1A/462
Dt. 19-10-2010.

To,

- 1) MARG Ltd., and IVRCL Infrastructures & Projects Limited., Chennai
- 2) Mundra Port and Special Economic Zone Ltd., - Adani Enterprises Ltd., Ahmadabad
- 3) Shapoorji Pallonji & Co., Ltd., Mumbai
- 4) Sical Logistics Ltd., Chennai
- 5) IMC Ltd., - ITD Cementation India Ltd., Chennai
- 6) Navayuga - Anrak Consortium, Hyd
- 7) SEW-PRSB Consortium, Hyd

Sir,

Sub: Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

Please find enclosed herewith a copy of corrigendum No.2 for revised dates for submission of RFP document for the subject project work.

Encl: Copy of Corrigendum 2

Yours faithfully,

etc

CHIEF ENGINEER

Copy to: FA&CAO/TM/CME/DC/Dy. Director (R&P) for information.

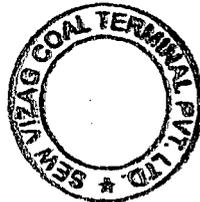
Encl: Copy of Corrigendum 2

19/10/10

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA

FAX: 0891-2565023; Grams: "PORTRUST" E-mail: info@vizagport.

Recd
19/10/10



19/10/10
DESPATCHED

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(1)

VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

No: IENG/EE(Projects)/EQ-1A/
Dt. 19-10-2010.

CORRIGENDUM - 2

Sub: Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

It is to inform that the dates mentioned against serial numbers 6 and 7 of the schedule at page 13 under clause 1.3 of Introduction of RFP document are revised as indicated below:

	Event Description	Existing date	Revised date
4	Proposal Due Date	29-10-2010 Up to 14.30 hrs.	24-11-2010 up to 14.30 hrs
5	Opening of Proposals	29-10-2010 at 15.00 hrs.	24-11-2010 at 15.00 hrs



etc

CHIEF ENGINEER
19/10

19/10

SEW - PRSB Consortium

SEW/PRSB/F. EQ-1A/2010/RS

Date: 29-10-2010

To,

The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

SSS/m

Handwritten notes and signatures including "Duce", "AFLR", and "21/10/10".

Dear Sir,

Sub:- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis-Clarification-Reg.

Ref :- RFP Documents(Drawings)

@@@

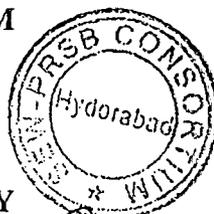
The following observation was made on studying the drawings available in the TEFR and the auto cad drawing of layout does not alter the same but confirms the concern.

"The location of the proposed EQ-1A berth is very close to the Turning Circle (TC). The boundary of the TC, as it is, is seen to be merging with the outer boundary of the vessel placed at the berth. In order to handle 230m long Panamax size vessel, the TC may have to be even larger which means that the TC required for Panamax size vessels will encroach into the space available in front of the berth for placing the vessel. It is to be recognized that every vessel entering into the Inner Harbour has to be turned at the TC, and as such the location of the berth EQ 1A may become a hindrance to navigation and that the oper ability of the Berth EQ-1A itself may become doubtful. Hence this aspect needs to be taken up with VPT and their views obtained".

Kindly provide us clarification regarding the above mentioned matter.

Thanking you & with regards,
For & on behalf of:
SEW - PRSB CONSORTIUM

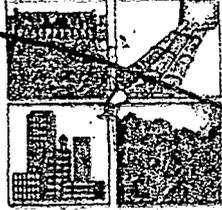
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Distance between P.C. & End EQ-1A is 25m

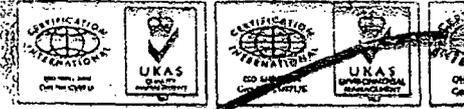
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**The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India**

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Head Office: 6-3-871, 'SNEHALATA', Green Lands Road, Begumpet, Hyderabad-500 076, **INDIA**
Ph: 91-40-23402153, 23403273, 66512157 **Fax:** 91-40-23417553(A/c's), 23405016 (Tech.) 23411128(R&B)
email: mail@sewinfrastucture.com **website:** sewinfrastucture.com

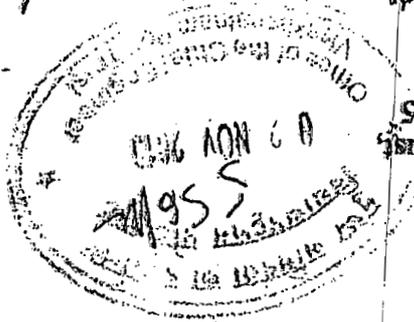
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SEW - PRSB Consortium

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SEW/PRSB/ EQ-1A/2010RS

Date: 01-11-2010



The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

To,

Dear Sir,

Sub:- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Clarification-Reg.

Ref:- RFP Documents(Drawings)

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It is observed that the dredging boundary i.e. the distance from the face of the berths upto which dredging is to be carried out under the above projects is not indicated in the drawings or VPT's replies to queries.

As the quantity and the cost of dredging is dependent on the above, so you may kindly provide us clarification regarding the same.

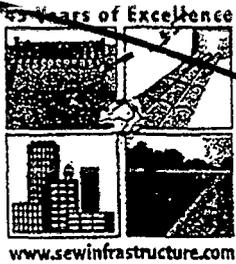
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Thanking you & with regards,
For & on behalf of
SEW - PRSB CONSORTIUM
(LALIT ARORA)
AUTHORISED SIGNATORY

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Office of the Chief Engineer
Visakhapatnam Port Trust

The Chief Engineer
Visakhapatnam Port Trust,
Visakhapatnam - 580 035,
Andhra Pradesh, India



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11/11/10

AIR
6961271



Head Office: 6-3/871, 'SNEHALATA', Green Lands Road, Begumpet, Hyderabad-500 016. A.P. INDIA
Ph: 91-40-23402153, 23403273, 66512157 Fax: 91-40-23417553(A/c's), 23405016 (Tech.)23411126(R&B)
email: mail@sewinfrastucture.com website: sewinfrastucture.com

Handwritten initials

విశాఖాపట్టణం పోర్ట్ ట్రస్ట్ / ఇంజనీరింగ్ విభాగం
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No: IENG/EE(Projects)/EQ-1A/490
Dt. 19-11-2010.

- To,
- 1) MARG Ltd., and IVRCL Infrastructures & Projects Limited., Chennai
 - 2) Mundra Port and Special Economic Zone Ltd., - Adani Enterprises Ltd., Ahmadabad
 - 3) Shapoorji Pallonji & Co., Ltd., Mumbai
 - 4) Sical Logistics Ltd., Chennai
 - 5) IMC Ltd., - ITD Cementation India Ltd., Chennai
 - 6) Navayuga - Anrak Consortium, Hyd
 - 7) SEW-PRSE Consortium, Hyd

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

Ref: This office letter No. IENG/EE(Projects)/EQ-1A/462 Dt. 19-10-10.

In continuation to this office letter cited, please find enclosed herewith a copy of Corrigendum - 3 showing the revised dates for submission of RFP document for the subject Project work.

Yours faithfully,

 CHIEF ENGINEER

Encl: Corrigendum - 3.
 Copy to: FA&CAO/TM/CME/DC/Dy. Director (R&P) for information.
 Encl: Corrigendum - 3.

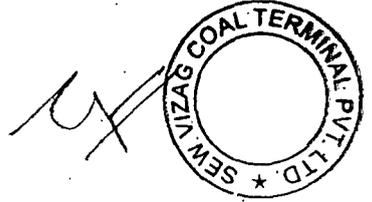
Ok by
 19.11.10

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA
 FAX: 0891-2565023; Grams: "PORTRUST" E-mail: info@vizagport.

20/11/10
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Recd
 20/11/10

19/11/10





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VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

No: IENG/EE(Projects)/EQ-1A/

Dt. 19-11-2010.

CORRIGENDUM - 3

Sub: Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis" - Reg.

It is to inform that the dates mentioned against serial numbers 6 and 7 of the schedule at page 13 under clause 1.3 of Introduction of RFP document are revised as indicated below:

Sl No	Event Description	Existing date	Revised date
6	Proposal Due Date	24-11-2010 Up to 14.30 hrs	29-12-2010 up to 14.30 hrs
7	Opening of Proposals	24-11-2010 at 15.00 hrs	29-12-2010 at 15.00 hrs



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CHIEF ENGINEER

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SPEED POST

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No: IENG/EE(Projects)/EQ-1A/495
Dt. 25-11-2010.

- To,
- 1) MARG Ltd., and IVRCL Infrastructures & Projects Limited., Chennai
 - 2) Mundra Port and Special Economic Zone Ltd., - Adani Enterprises Ltd., Ahmadabad
 - 3) Shapoorji Pallonji & Co., Ltd., Mumbai
 - 4) Sical Logistics Ltd., Chennai
 - 5) IMC Ltd., - ITD Cementation India Ltd., Chennai
 - 6) Navayuga - Anrak Consortium, Hyd
 - 7) SEW-PRSB Consortium, Hyd

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

Ref: This office letter No. IENG/EE(Projects)/EQ-1A/460 B Dt.18-10-10.

In continuation to the replies issued to the queries raised by the bidders vide letter cited, please find herewith enclosed further replies to the queries raised by the bidders vide Annexure - 'C' for information please.

In this connection it may be noted that no further queries will be entertained in connection with the subject project.

Yours faithfully,

CHIEF ENGINEER

Encl: Copy of Annexure - 'C'

Copy to: FA&CAO/TM/CME/DC/Dy. Director (R&P) for information.

Encl: Copy of Annexure - 'C'

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA

FAX: 0891-2565023; Grams: "PORTRUST" E-mail: info@vizagport.



25/11/2010
DISPATCHED

VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

Name of work : Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth for handling thermal coal and steam coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis

	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
1.		The location of the proposed EQ-1A berth is very close to the Turning Circle (TC). The boundary of the TC, as it is, seen to be merging with the outer boundary of the vessel placed at the berth. In order to handle 230 m long Panamax vessel, the TC may have to be even larger which means that the TC required for Panamax size vessels will encroach into the space available in front of the berth for placing the vessel. It is to be recognized that every vessel entering into the Inner Harbour has to be turned at the TC, and as such the location of the berth EQ-1A may become a hindrance to navigation and that the operability of the Berth EQ-1A itself may become doubtful. Hence this aspect needs to be taken up with VPT and their views obtained.	No such query was raised by any of the bidders earlier. However, VPT has considered all the parameters, planned and finalized the EQ-1A berth at the location specified which is safe for navigation of vessels. However, the navigational safety requirement of vessels at the berth shall be the responsibility of the concessionaire.
2.		It is observed that the dredging boundary i.e the distance from the face of the berths up to which dredging is to be carried out under the above projects is not indicated in the drawings or VPT's replies to queries.	The answer for this query is already given at Item No. (ii) of Project Facilities at Appendix - 4 of Concession Agreement, which may be referred to.
3.	List of drawings supported for dismantling of structures		Please find enclosed 1) The General Arrangement drawings of Tie up jetty for Tugs near M.F. Jetty - Annexure C-C 2) The Layout Plan of Tie up jetty for Tugs near M.F. Jetty - Annexure D-D 3) The Slope protection work at Boat Basin Jetty - Annexure E-E 4) The General Arrangement drawing of Conversion of MF lay by jetty in to RCC Jetty- Annexure F-F



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S.No	Issues, Clause No , Page No, Contents of the clause	Points raised by the Bidders seeking clarifications	VPT's reply
4.		Installation of rail lines is in the scope of bidder, but details are not available for existing rail network. We are planning to have Wagon Tippler from Boxen Wagons for unloading of coal. To freeze on the location of Wagon Tippler we request the port to provide us with the master plan or layout of railway inside the port.	Please refer to the drawing enclosed at query No.1 furnished vide Annexure -I (earlier replies to queries), wherein the 3 Nos. of railway lines shown on the East side of the EQ-1A stack yard (located outside the stack yard boundary) are meant for this purpose duly allocating one line for each berth (EQ-1 and EQ-1A) and the middle line meant for utilizing as Engine escape line which is common for both the users. Hence necessary planning has to be carried out by the bidder accordingly including realignment of the above mentioned 3 railway lines to suit the layout.
5.		RFP document asked for the stack height of 7 mts in the back up yard. We have already raised the query in pre-bid for the higher stacking height to meet the terminal capacity. In the reply to query, Port has agreed for the higher stack height subject to environmental clearance. We propose to install wind shield in the periphery of the yard to maintain the environmental norms. Here you will find that only by considering the 12 meter stack height and 18 cycles of turnaround of cargo with certain amount of non mechanized operation, the ultimate capacity of terminal can be achieved. We have considered a dwell time of 20 days. Accordingly, it is apprehended that we will only be able to achieve a annual throughput of 4.20 million tones and not meet the prescribed project capacity of 6.41 million tones. You may kindly advise.	With regard to the stack heights, the replies already given to the earlier queries and the provision made in the bidding documents hold good. With regard to the other parameters, it is to inform that, the proposal was thoroughly discussed with the bidders by TAMP authorities and upon approval of TAMP the bidding documents were issued. Hence, the provisions made in the bidding documents are valid. The basis of arriving yard capacities of 7.36 MTPA (as approved by TAMP) is enclosed herewith for ready reference.
6.		In bid security format, we are required to fill RFP Document date, please specify the RFP document date.	As already informed, it is to state that the RFP document date is the date on which RFP was issued and letters sent to qualified applicants i.e on 27.08.10
7.		a) Kindly clarify whether the dismantling material will be dumped at locations at sea or will be used for reclamation of land or disposed at any other location. b) And also clarify whether the Extracted material will become the property of VPT or successful bidder.	a) Refer to the earlier replies to queries, wherein it was mentioned that the disposal ground for un-useful material is at a distance of about 25 Km as identified by the Concessioning Authority. It is to further state that all material below water level is construed as dredged material and is proposed for dumping in sea at officially identified dumping grounds in the Outer Harbour within port limits which is situated at about 5 nautical miles from the Proposed berth. b) Refer to the earlier replies to queries, where in it was mentioned that the dismantling of structures is inclusive of the cost of retrieval and necessary planning shall be made accordingly by the concessionaire/bidder.

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3.3 Determination of Optimal Yard Capacity.

$$= 0.7 * A * U * Q * T \text{ tones}$$

A) Determination of Yard capacity for Thermal Coal :

where,

$$A = \text{Area of the yard made available by the Port for development in sq.m.} = 50,600$$

$$U = \text{Percentage of total yard area that could be used for stacking} = 70$$

$$Q = \text{Quantity that could be stacked per sq.m. of area} = 5 \text{ T}$$

$$T = \text{Turnover ratio of the plot in a year} = 33 \text{ (\#)}$$

$$= 0.7 * 50,600 \text{ m}^2 * 70/100 * 5 * 33 = 4,091,010 \text{ million tonnes per annum}$$

or say 4.09 MTPA

B) Determination of Yard capacity for Steam Coal :

where,

$$A = \text{Area of the yard made available by the Port for development in sq.m.} = 50,600$$

$$U = \text{Percentage of total yard area that could be used for stacking} = 70$$

$$Q = \text{Quantity that could be stacked per sq.m. of area} = 4 \text{ T/(\$)}$$

$$T = \text{Turnover ratio of the plot in a year} = 33 \text{ (\#)}$$

$$= 0.7 * 50,600 \text{ m}^2 * 70/100 * 4 * 33 = 3,272,808 \text{ million tonnes per annum}$$

or say 3.27 MTPA

Total Optimal Yard Capacity for Thermal Coal and Steam Coal = 7.36 MTPA

Reasons for deviation for calculation of yard capacity

(\\$) Keeping in view the nature of cargo being light in weight and dusty cargo without inherent moisture, 4 tonnes of cargo per sqm is considered appropriate. as against 3 T / sqm proposed in TAMP guidelines.

(\#) As per TAMP Guidelines, the dwell time norm is 25 days, which gives 12 turn rounds of cargo. It is ascertained from one of the prime user agencies that 7 days cargo requirement (minimum inventory) is expected to remain in the Port Stockpile and the cargo would be moved out from the Port as and when imported. Hence for the proposal in question, a dwell time of 11.06 days is considered reasonable and on this basis the turnover ratio of the stockpile works-out to 33 based on working norm of 365 days.

Based on the above calculation, the Terminal Capacity of the EQ1A works out 7.36 million tonnes per annum being lower of optimal quay capacity and optimal yard capacity.



विशाखपट्टणम पोतन त्रुस्ट / अमियांता विभाग
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT
 ISO9001 PORT
 ISO14001 PORT
 OHSAS 18001 PORT



No: IENG/EE(Projects)/EQ-1A/Pt.V/534
 Dt. 24-12-2010.

To,

- 1) MARG Ltd., and IVRCL Infrastructures & Projects Limited., Chennai
- 2) Mundra Port and Special Economic Zone Ltd., - Adani Enterprises Ltd., Ahmadabad
- 3) Shapoorji Pallonji & Co., Ltd., Mumbai
- 4) Sical Logistics Ltd., Chennai
- 5) IMC Ltd., - ITD Cementation India Ltd., Chennai
- 6) Navayuga - Anrak Consortium, Hyd
- 7) SEW-PRSB Consortium, Hyd

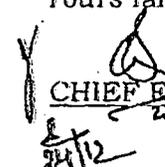
Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

Ref: This office letter No. IENG/EE(Projects)/EQ-1A/490 Dt. 19-11-10.

In continuation to this office letter cited, please find enclosed herewith a copy of Corrigendum - 4 showing the revised dates for submission of RFP document for the subject Project work.

Yours faithfully,

dc

 CHIEF ENGINEER
 24/12/10

Encl: Corrigendum - 4.

Copy to: FA&CAO/TM/CME/DC/Dy. Director (R&P) for information.

Encl: Corrigendum - 4.

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA

FAX: 0891-2565023; Grams: "PORTRUST" E-mail: info@vizagport.



4

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24/12/10

✓

VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

No: IENG/EE(Projects)/EQ-1A/

Dt. 24-12-2010.

CORRIGENDUM - 4

Sub: Development of East Quay-1A(EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

It is to inform that the dates mentioned against serial numbers 6 and 7 of the schedule at page 13 under clause 1.3 of Introduction of RFP document are revised as indicated below:

Sl No.	Event Description	Existing date	Revised date
6	Proposal Due Date	29-12-2010 Up to 14.30 hrs	20-1-2011 up to 14.30 hrs
7	Opening of Proposals	29-12-2010 at 15.00 hrs	20-1-2011 at 15.00 hrs




 CHIEF ENGINEER
 dtc 24/12

4

6

SEW - PRSB Consortium

SEW/PRSB/F. EQ-1/2010/RS

Date: 18-01-2010

To,
Mr. K. Ramachandra Rao.
Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Dear Sir,

Sub:- Submission of Bid for the Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

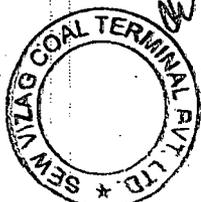
Ref:- Letter of Invitation

We hereby authorise our representative whose signature is attested below to submit the subject work and to attend the opening of the same.

Thanking you & with regards,

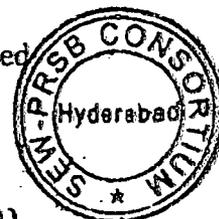
For & on behalf of:
SEW-PRSB Consortium

(LALIT ARORA)
AUTHORIZED SIGNATORY



Signature Attested

(LALIT ARORA)
AUTHORIZED SIGNATORY
SEW-PRSB Consortium



✓
SPELUST

269

విశాఖపట్టణం పోర్ట్ ట్రస్ట్ / ఆభివృద్ధి విభాగం
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO9001 PORT
ISO14001 PORT
OHSAS 18001 PORT



No: IENG/EE(Projects)/EQ-1A/PL.V/ 388
Dt. 11-2-2011.

To,
SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.
Ref: Your RFP dt. 20-1-2011.

Please refer to your RFP dt. 20-1-2011.

In this connection, please find enclosed herewith a copy of letter Dt. 5-2-2011
along with a statement showing the comments made by M/s. RITES Ltd., the Transaction
Advisors for the subject Project which are self explanatory and it is requested to comply
the same & furnish to enable this office to take necessary further action.

Yours faithfully,

CHIEF ENGINEER
ole

Encl. Copy of letter dt. 5-2-2011 along with its enclosures received from M/s. RITES Ltd.,

11.2
Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA
FAX: 0891-2565023; Grams. "PORTRUST" E-mail: info@vizagport.

DESPATCHED



11.2



(A Govt. of India Enterprise)

Transportation & Economic Division

No. Rites/SC/T & E/SC/VPT/TAs-2010

Date: 04/02/11

Handwritten notes and signatures: "Rites SC/T & E/SC/VPT/TAs-2010", "HK", "J", "5/2/11", "A", "Srin", "Srin".

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

Dear sir,

Sub: Transaction Advisory Services - Development of East Quay - 1-A (EQ-1-A) - Verification of RFP bid documents - Reg.

The bid documents submitted by the three companies for the RFP floated by VPT for EQ-1A have been examined by RITES Limited and detailed comments are offered for each of the company in the enclosures attached.

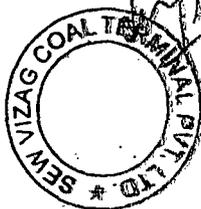
Yours Sincerely

Handwritten signature of M. Ravibabu

(M. Ravibabu)

General Manager (T & E)/SC

Encl: As above



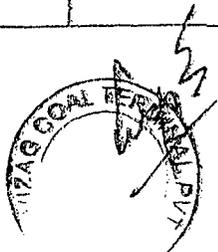
Handwritten signature and scribbles at the bottom right of the page.

✓
Checklist of BID Documents

EQ-1A 271

M/s SEW Infrastructure Ltd. and M/s Pembinaan Redzai Sdn Bhd - (Consortium)

Document to be provided	Type of document	Referring Clause in RFP	Remarks
Envelope 1- BID			
Appendix 1	Bid Format	<p>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.</p> <p>1.2.2 In the Bid Stage, the aforesaid short-listed Applicants, including their successors, (the "Bidders") are being called upon to submit their Bids in accordance with the Bidding Documents. The Bid shall be valid for a period of not less than 120 days from the date specified in Clause 1.3 for submission of bids (the "Bid Due Date").</p>	<p>The Bid has been furnished by the Bidder as per the format given in Appendix - I of RFP, clearly indicating the bid amount in both figures and words, in Indian Rupees and signed by the Bidder's authorized signatory.</p> <p>It may, however, be noted that the designation of the authorized signatory of the Bid i.e. Mr. Lalit Arora is not specified in the Bid, but the same has been mentioned in the power of attorney executed in his favour. Thus, it appears to be an ordinary defect may be rectified by the Bidder.</p>
Envelope 2- ENCLOSURES OF THE BID			
Appendix 3	Power of Attorney for signing of Bid	<p>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.</p>	<p>There are two POA's submitted by M/s SEW Infrastructure Ltd. - One accompanied with Board Resolution and executed by Mr. V. Rajasekhar appointing Mr. S. Anil Kumar as attorney empowering the latter with power to further sub-delegate his powers. The other POA is executed by Mr. S. Anil Kumar at RFP stage by virtue of power given to him in the first POA. The POA executed at RFP stage appears to have no defect and is, therefore, valid.</p> <p>The power of Attorney submitted by M/s Pembinaan Redzai Sdn Bhd (PRSB), a Malaysian Company, appears to be defective as the same has been executed in Malaysia on the stamp paper procured from India.</p> <p>Further, the said POA does not bear the company seal of M/s PRSB and is also not accompanied by a Board Resolution/POA authorizing the executant of the said POA to execute the same.</p> <p>M/s PRSB should execute a fresh POA (as per the prescribed format) on a white paper duly notarized from Malaysia. The POA should also be attested and stamped by the office of the Indian Embassy / Consulate located in Malaysia.</p> <p>The Bidder needs to rectify the aforesaid defects and issue fresh POA as stated above.</p>



Handwritten signature and initials.

✓
SPEED POST 272

MOST URGENT

विशाखपट्टणम पोर्ट ट्रस्ट / अभियंता विभाग
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO9001 PORT
ISO14001 PORT
OHSAS 18001 PORT



No: IENG/EE(Projects)/EQ-1A/Pt.V/ 46
Dt. 17-2-2011.

To,
SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

Ref: 1) Your RFP dt. 20-1-2011.

2) this office letter No. IENG/EE(Projects)/EQ-1A/Pt.V/38Dt. 11-2-2011.

In continuation to this office letter 2nd cited, you are requested to attend this office on 18-2-2011 at 2.30 PM for discussions on the subject Project in the chambers of Chief Engineer. Also, you are requested to comply the comments made by M/s. RITES Ltd., the Transaction Advisors, for the subject Project that were sent to you vide this office letter 2nd cited to enable this office to take necessary further action.

TREAT MATTER MOST URGENT.

Yours faithfully,

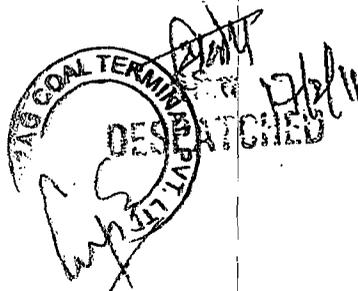

CHIEF ENGINEER
17/2/11

Copy to: FA&CAO / CME for information and it is requested to make it convenient and attend for discussions on the subject Project on the date and time mentioned above.

Copy to: PA to CE for favour of information of Chief Engineer.

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA

FAX: 0891-2565023; Grams: "PORTRUST" E-mail: info@vizagport.









विशाखपट्टणम पत्तन न्यास /अभियंता विभाग
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO14001 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ-1A/Pt.V/ 57
Dt. 21-2-2011.



To,
SEW-PRSB Consortium,
6-3-871, Snehalatha ;
Greenlands Road,
Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.
Ref: Your RFP dt. 20-1-2011.

This is in reference to the proposal / bid dated 20-1-2011 submitted by M/s. SEW-PRSB Consortium for the captioned Project.

On review of the aforesaid bid, it is noticed that in terms of clauses 2.2.3 and 2.2.9 of the RFQ, respectively, M/s. Pembinaan Redza Sdn Bhd (M/s.PRSB), who is one of the Consortium member, has claimed Operations & Maintenance experience of its Associate Members viz., (a) M/s. Westports Holdings Sdn Bhd and (b) M/s. Westports Malaysia Sdn Bhd and had also submitted relevant documents in support thereof.

In this regard, it is to inform you that unless an unconditional undertaking to the following effect is furnished by M/s. PRSB and made available with VPT, the aforesaid proposal / bid can not be further examined:

In the event that M/s. SEW-PRSB Consortium is selected as the 'Selected Bidder' and if the Project is awarded to the said Consortium then:

- (a) the Associate Member of M/s. PRSB viz., (a) M/s. Westports Holdings Sdn Bhd and (b) M/s. Westports Malaysia Sdn Bhd shall have no relationship whatsoever with M/s. PRSB's role in SEW-PRSB Consortium for undertaking the Project;
- (b) that the Associate Members of M/s. PRSB shall not interfere in any manner whatsoever in the role of M/s. PRSB or otherwise of the Consortium in the development of the Project
- (c) if M/s. PRSB, the consortium partner, employs any Chinese worker (ie., from mainland China or Taiwan or Hongkong); whether on contract or otherwise, it shall, before employing any such worker, obtain separate clearance for such workers.

You are requested to do the needful.

Yours faithfully,

CHIEF ENGINEER
21/2/11

Copy to: AE(Projects) I for information and necessary action.

DESPATCHED
22/2/2011



SEW - PRSB Consortium

Date: 21-02-2010

To,
Mr. K. Ramachandra Rao,
Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Handwritten notes and signatures:
22/2/11
22/2/11
22/2/11
22/2/11

Dear Sir,

102
22/2/2011

Sub:- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref:- 1.Your office letter No:IENG/EE(Projects)/EQ-1A/Pt.V/46, Date: 17- 02-2011
2.Our RFP Bid Submitted dated: 20-01-2011.

With reference to your above cited letter, the undersigned attended the meeting at your office at 2.30 PM on dated 18.02.11.

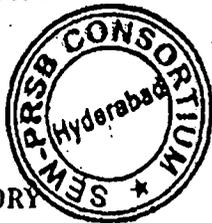
During this meeting your kind self has advised us to re-consider revenue share quoted by us. The matter was discussed with our management and we regret to inform you that we will not be able to increase the revenue share.

Your good self may please appreciate that the figure quoted by us as revenue share is a very aggressive number and was quoted considering the most competitive Bidding. This is also evident with the gap between our quoted figure and the figure quoted by the 2nd highest bidder.

With this submission, we request your kind self to please consider our bid and issue the letter of award in our favour.

Thanking you & with regards,
For & on behalf of:
SEW - PRSB CONSORTIUM

(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road, Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157, Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



Handwritten signature and initials.



1206
2/2/11

Mr. K. RAMACHANDRA RAO
CHIEF ENGINEER
VISA KHAPATNAM PORT TRUST,
VISA KHAPATNAM - 530 035
ANDHRA PRADESH, INDIA
+91-891-2565089 (Phone No)
+91-891-2565023 (Fax No)
info@vizagport.com

A/L
737455

Infrastructure Ltd.
Snehalata
is Road
Hyderabad
A.P India

Handwritten signature or initials.

SEW - PRSB Consortium

SEW/PRSB/F. EQ-1A/2010/RS

Date: 21-02-2011

To,
Mr. K. Ramachandra Rao,
Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Handwritten notes:
V/A
28/2/11
20/2/11

Dear Sir,

Sub: - Development of East Quay-IA (EQ-IA) Berth on the South side of EQ-I Berth in the Inner Harbour of Visakhapatnam Port on DBFOT basis.

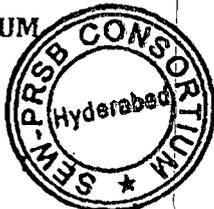
Ref: 1.Your office letter No: IENG/EE(Projects)/EQ-1A/Pt.V/50, Date: 21-02-2011
2.Our RFP Bid Submitted dated: 20-01-2011.

With reference to your letter as 1st cited above we, SEW-PRSB Consortium herewith undertake that

- a) The Associate Members of M/s PRSB viz., (a) M/s Westports Holdings Sdn Bhd and (b) M/s Westports Malaysia Sdn Bhd shall have no relationship whatsoever with M/s PRSB's role in SEW-PRSB consortium for undertaking the Project;
- b) That the Associate Members of M/s PRSB shall not interfere in any manner whatsoever in the role of M/s PRSB or otherwise of the Consortium in the development of the Project;
- c) if M/s PRSB, the consortium partner, employs any Chinese worker (i.e. from mainland China or Taiwan or Hongkong), whether on contract or otherwise, it shall, before employing any such worker, obtain separate clearance for such workers.

Thanking you & with regards,
For & on behalf of:
SEW - PRSB CONSORTIUM

(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



Handwritten signature/initials

SEW - PRSB Consortium

SEW/PRSB/F. EQ-1A/2010/RS

Date: 22-02-2011

To,

Mr. K. Ramachandra Rao,
Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Handwritten notes:
22/2/11
to Mr. K. Ramachandra Rao
for the project of EQ-1A

Dear Sir,

Sub: - Development of East Quay-1A (EQ-1A) Berth on the South side of EQ-1 Berth in the inner Harbour of Visakhapatnam Port on DBFOT basis.

Ref:- 1. Meeting held at your office on 18-02-2011 at 2.30PM.
2. Our undertaking submitted vide our letter no: SEW/PRSB/F. EQ-1A/2010/RS, dated: 21-01-2011.

In continuation to our previous letter as cited above and the discussion held during meeting on 18th Feb, 2011, we have no objection if a clause is included in concession agreement incorporating the content of our undertaking submitted vide our letter no: SEW/PRSB/F. EQ-1A/2010/RS, dated: 21-01-2011.

Thanking you & with regards,
For & on behalf of:
SEW - PRSB CONSORTIUM

(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016 Email: mail@sewinfrastructure.com



Handwritten signature and initials



50 Years
of Excellence

SEW Infrastructure Ltd.
6-3-871, 'Snehasita'
Greenlands Road
Begumpet Hyderabad
500 016, A.P India

**LETTER REG ADDITIONAL CLAUSE IN CONCESSION
AGREEMENT**

By (Signature)
(Name)

28/11/11

5/11

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME, I, TAN SEOK KETT, NOTARY PUBLIC, of Messrs. TAN CHAP & ASSOCIATES, Advocates & Solicitors, Lot 350, 3rd Floor, Wisma MPL, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, practising at Kuala Lumpur, Wilayah Persekutuan, do hereby certify that I was present at Kuala Lumpur, Wilayah Persekutuan and that on the day of the date hereof the genuineness signature of AHMAYUDDIN AHMAD (Holder of Malaysian Identity Card No. 560804-06-5359) subscribed to the *POWER OF ATTORNEY FOR SIGNING OF APPLICATION* dated 6th day of October, 2010 do hereby authorize MUHAMMAD ABDULLAH HATTA BIN BULAT as its true and lawful Attorney and whom is conferred with all necessary power and authority to act on behalf of *PEMBINAAN REDZAI SDN. BHD.* hereunto annexed, such signature having been this day subscribed in my presence by the said AHMAYUDDIN AHMAD whose Identity I attest.

AND I HEREBY FURTHER CERTIFY that satisfactory and sufficient evidence was produced to me that the aforesaid AHMAYUDDIN AHMAD (Holder of Malaysian Identity Card No. 560804-06-5359) have all right and authority to execute the said *POWER OF ATTORNEY FOR SIGNING OF APPLICATION* for and on behalf of *PEMBINAAN REDZAI SDN. BHD.*

(IN TESTIMONY WHEREOF
(I have hereunto subscribed my
(name and affixed my Seal of
(Office at Kuala Lumpur,
(Wilayah Persekutuan this 6th
(day of October, 2010.

Quod Veritatem attestor

TAN SEOK KETT
Notary Public
Kuala Lumpur
Wilayah Persekutuan
Malaysia.

This is to certify that the signature appears on this document/Certificate/Marriage Certificate/Birth/Death Certificate is that of Tan Seok Kett Notary Public who is.....
The Ministry of Foreign Affairs, Malaysia is not responsible of the accuracy of the information contained therein.



Jama'alah Che Ross
Executive Officer
Consular Division
Ministry of Foreign Affairs
Putrajaya Malaysia

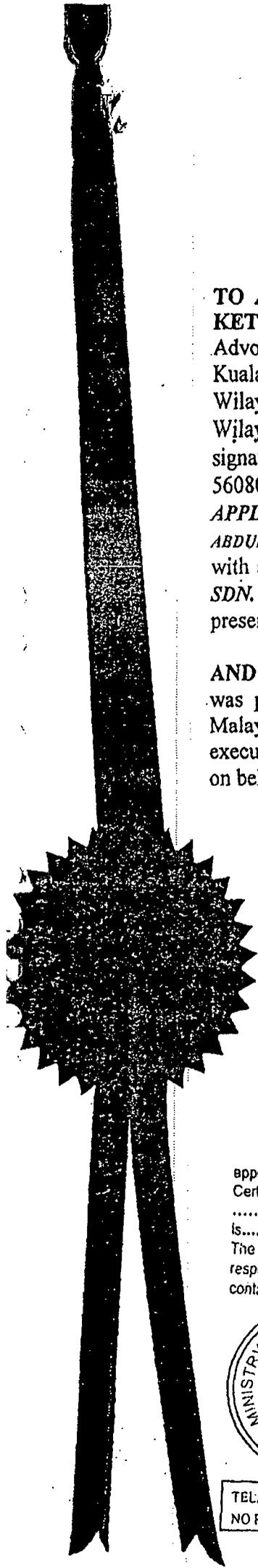
18 FEB 2011

TELAH DI BAYAR RM. _____
NO RESIT _____



[Handwritten signature]

[Handwritten signature]



POWER OF ATTORNEY FOR SIGNING OF APPLICATION

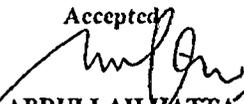
Know all men by these presents, we, M/s. Pembinaan Redzai Sdn Bhd having Registered Office at Suite C-21-03, 3 Two Square, No. 2, Jalan 19/1, 46300 Petaling Jaya, Selangor, Malaysia do hereby irrevocably constitute, nominate, appoint and authorise Mr. Muhammad Abdullah Hatta Bin Bulat and presently residing at No 48, Jalan 18/1A, 47500, Subang Jaya, Selangor, Malaysia who is presently employed with us and holding the position of Head, Port Projects (Finance), M/s. Pembinaan Redzai Sdn Bhd 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 "Development of East Quay - 1A (EQ-1A) Berth on South Side EQ-1 Berth for handling thermal coal and steam coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" (The project) proposed or being developed by the Visakhapatnam Port Trust (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.

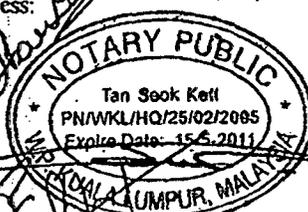
IN WITNESS WHEREOF WE, M/s. PEMBINAAN REDZAI SDN BHD THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS 6th DAY OF OCTOBER, 2010.

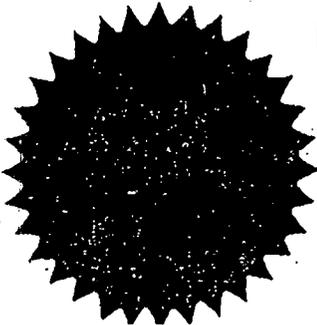
For & on behalf of:
PEMBINAAN REDZAI SDN BHD


(AHMAYUDDIN AHMAD)
DIRECTOR

Accepted

(MUHAMMAD ABDULLAH HATTA BIN BULAT)
PEMBINAAN REDZAI SDN BHD
SUITE C-21-03, 3 TWO SQUARE,
NO. 2, JALAN 19/1, 46300 PETALING JAYA
SELANGOR, MALAYSIA

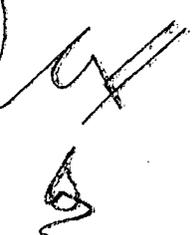
Witness:


NOTARY PUBLIC
Tan Seok Kett
PN/WKL/HQ/25/02/2005
Expire Date: 15.6.2011
KUALA LUMPUR, MALAYSIA



PEMBINAAN REDZAI SDN BHD
(143419-T)



SEMWANG COAL TERMINAL PVT. LTD.


✓

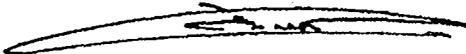
NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME, I, TAN SEOK KETT, NOTARY PUBLIC, of Messrs. TAN CHAP & ASSOCIATES, Advocates & Solicitors, Lot 350, 3rd Floor, Wisma MPL, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, practising at Kuala Lumpur, Wilayah Persekutuan, do hereby certify that I was present at Kuala Lumpur, Wilayah Persekutuan and that on the day of the date hereof the genuineness signature of K. JAYAVATHANI KANAGARATNAM (Holder of Malaysian Identity Card No. 621218-10-6548) subscribed to the *CERTIFIED COPY OF THE RESOLUTION PASSED AT A MEETING OF BOARD OF DIRECTORS* passed on 27th day of September, 2010 hereunto annexed, such signature having been this day subscribed in my presence by the said K. JAYAVATHANI KANAGARATNAM whose Identity I attest.

AND I HEREBY FURTHER CERTIFY that satisfactory and sufficient evidence was produced to me that the aforesaid K. JAYAVATHANI KANAGARATNAM (Holder of Malaysian Identity Card No. 621218-10-6548) have all right and authority to execute the said *CERTIFIED COPY OF THE RESOLUTION PASSED AT A MEETING OF BOARD OF DIRECTORS* for and on behalf of PEMBINAAN REDZAI SDN. BHD. (Company No. 143419-T).

(IN TESTIMONY WHEREOF
I have hereunto subscribed my
(name and affixed my Seal of
(Office at Kuala Lumpur,
(Wilayah Persekutuan this 27th
(day of September, 2010.

Quod Veritatem attestor



TAN SEOK KETT
Notary Public
Kuala Lumpur
Wilayah Persekutuan
Malaysia.



✓

PEMBINAAN REDZAI SDN BHD (143419-T)
(Incorporated in Malaysia)

CERTIFIED COPY OF THE RESOLUTION PASSED AT A MEETING OF BOARD OF DIRECTORS OF M/S. PEMBINAAN REDZAI SDN BHD HELD ON MONDAY THE 27TH DAY OF SEPTEMBER, 2010 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT SUITE C-21-03, 3 TWO SQUARE, NO. 2, JALAN 19/1,46300 PETALING JAYA, SELANGOR, MALAYSIA

Authorisation to Mr. Ahmayuddin Ahmad, Director

"RESOLVED THAT the consent of the Board of Directors of the company be and is hereby accorded to Mr. Ahmayuddin Ahmad, Director of the company to do the following on behalf of the company in relation to execution of various Projects:

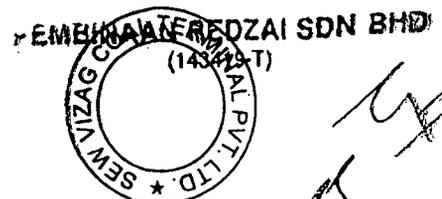
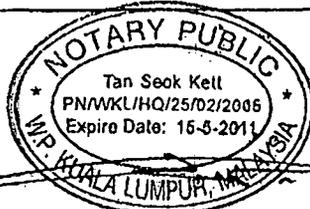
- Execute Memorandum of Understanding, Joint Venture Declaration, Joint Venture Agreements and such other documents as may be required from time to time
- Issue/execute General Power of Attorneys / Special Power of Attorneys/ letter of Authorisation in favor of other Directors, employees of the company or any other persons
- Represent the company before Central Government / State Government, Statutory Authorities, Public Bodies, Local Bodies, Courts, Tribunals in respect of matters that are of interest to the company
- Sign and submit all pre-qualification tenders/tender documents
- Sign and submit all letters, declarations, correspondence papers, certificate and other required information
- Open and operate Banking Accounts in India or abroad either in the name of the company/ in the name of the Joint Venture in accordance with the terms and conditions, if any, of the Joint Venture Agreement
- Obtain necessary registration for the company or the joint venture with Government / quasi Government authorities / Local Bodies or other statutory authorities, private organisations / companies in Malaysia or abroad
- Delegate all or any of the powers conferred on him hereinabove, in favor of any one or more persons, whether employees of the company or not, when he deems it necessary to discharge or perform the above functions effectively"

"RESOLVED FURTHER THAT Mr. Ahmayuddin Ahmad, Director, be and is hereby authorised to do all such acts, deeds and things as he deems beneficial in the best interests of the company."

For Pembinaan Redzai Sdn Bhd

K. Jayavanthani

K. JAYAVANTHANI KANAGARATNAM
MAICSA 7010433
Company Secretary



एअर पोस्ट
 21. एअर पोस्ट 27
 SPEED POST

IMMEDIATE

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
 ISO14001 PORT
 OHSAS 18001



No. IENG/EE(Projects)/EQ-1A/Vol. VI/ 2
 Dt. 17-3-2011.

To,
 SEW-PRSB Consortium,
 6-3-871, Snehalatha,
 Greenlands Road,
 Begumpet,
 HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
 Sr. General Manager (Tech) / Associated Vice President
 Fax : 040 - 2340 5016

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.
 Ref: Your bid dt. 20-1-2011.

Your bid for the subject Project i.e., Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" submitted vide your bid dt. 20-1-2011 has been accepted by VPT Board.

You are requested to treat this letter as the "Letter of Award (LOA)". A detailed order along with draft concession agreement to be entered as per the relevant clauses of RFO, RFP & DCA documents and other terms and conditions will be issued separately.

In this regard, in terms of the clause 3.3.5 of RFP document, a duplicate copy of this LOA which is enclosed, shall be returned duly signed with in 7 days of the receipt of LOA in acknowledgement thereof.

Yours faithfully,

Secretary &

of Attorney of the Board

Grant: PORT TRUST, FAX : 0891 - 2565023, Phone: 0891 -2565289, E-mail: ,
 Web: www.vizagport.com. Visakhapatnam - 530 035. (A rt.com, We info@vizagpo



19/3/2011

SEW - PRSB Consortium

SEW/PRSB/F. EQ-1A/2011/RS

Date: 23-02-2010

To,

Mr. K. Ramachandra Rao,
Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Handwritten notes:
E/E 2
EE (Project)
2/2/11

Handwritten notes:
H/A
In urgent m/c
23/2

Dear Sir,

Subj- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref- 1. Your office letter No: IENG/EE(Projects)/EQ-1A/Pt.V/38, Dated: 11-02-2011
2. Our RFP Bid Submitted dated: 20-01-2011.

In response to your office letters as 1st cited above, we herewith submit our response as described under:

- The designation of Mr. Lalit Arora, (POA holder), is Vice President. This is mentioned in the Power of Attorney issued in his favour and submitted as part of bid. Further, we undertake that Mr. Lalit Arora will personally visit and rectify the short coming in the "Letter comprising Bid" and will initial the correction before signing of Concession Agreement.
- We have received the Power of Attorney of PRSB, taken on a plain paper and duly stamped. The POA has been duly notarised and attested by Indian Embassy in Malaysia. The original is herewith attach for your perusal.
- We have obtained the Board resolution of PRSB and have attached the same for your perusal.

With this submission, we look forward for an early award of work.

Thanking you & with regards,
For & on behalf of:
SEW - PRSB CONSORTIUM

(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



Encl 1. Original Power of Attorney of PRSB
2. Board Resolution of PRSB.

G/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

Handwritten signature



Handwritten signature

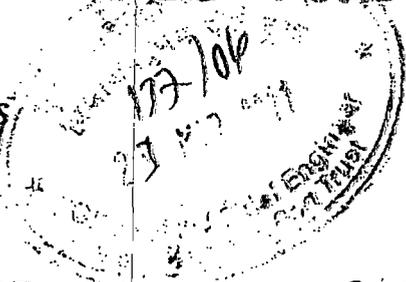
SEW - PRSB Consortium

SEW/R.BD/EQ-1A/2011/RS

Dated: 21-03-2011

To

The Chief Engineer,
- Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India



*Recd. by
RE (EE)
21/3/11*
URGENT
21/3

Sub: "Development of East Quay - 1A (EQ-1A) Berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis".

Ref: 1. LOA vide letter no: IENG/EE(Projects)/EQ-1A/Vol. VI/81, Dated: 19-03-2011.
2. Clause 3.3, 5 of RFP Document.

Dear Sir,

We, SEW-PRSB hereby acknowledge the receipt of the Letter of Award vide your letter number as cited 1st above and herewith enclose copy of the LOA duly signed and stamped as an acknowledgment of the same.

Thanking you and with Regards,

For & Behalf of
SEW - PRSB CONSORTIUM

(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



Encl: As stated above.

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 56512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



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Handwritten signature/initials

IMMEDIATE

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001No. ENG/EE(Projects)/EQ-1A/Vol. VI/ 81
Dt. 19-3-2011.

Da,
SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg. Ref. Your bid dt. 20-1-2011.

Your bid for the subject Project i.e., Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" submitted vide your bid dt. 20-1-2011 has been accepted by VPT Board.

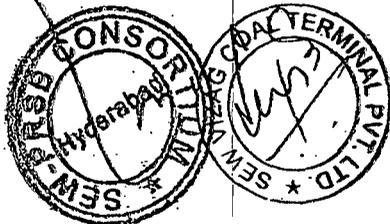
You are requested to treat this letter as the "Letter of Award (LOA)". A detailed order along with draft concession agreement to be entered as per the relevant clauses of RFP, RFP & DCA documents and other terms and conditions will be issued separately.

In this regard, in terms of the clause 3.3.5 of RFP document, a duplicate copy of this LOA which is enclosed, shall be returned duly signed with in 7 days of the receipt of DOA in acknowledgement thereof.

Yours faithfully,

Secretary &
Attorney of the Board

Grant: PORT TRUST, FAX : 0891 - 2565023, Phone: 0891 -2565289, E-mail: ,
Web: www.vizagport.com. Visakhapatnam - 530 035. (A rt.com, We info@vizagpo



1736

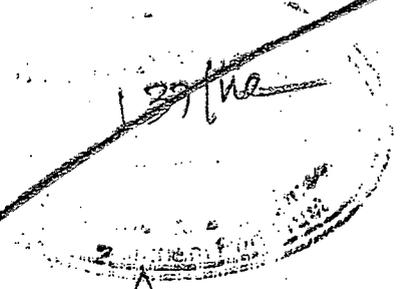


50 Years
of Excellence

1736
22/3/11

Submitted to:

Attn. of Mr. K. Ramachandra Rao
Designation: Chief Engineer
Address: Visakhapatnam Port Trust
Visakhapatnam - 530 035
Andhra Pradesh, India
Tel: +91-891-2565289
Fax: 91-891-2565023
Email: info@vizagport.com



112
708934

SEW Infrastructure Ltd.
6-2-871, 'Snehalata'
Greenlands Road
Begumpet Hyderabad
500 016, A.P. India

IMMEDIATE**VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT**ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001No. IENG/EE(Projects)/EQ-1A/Vol. VI/ 81
Dt. 19-3-2011.To,
SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Sir,

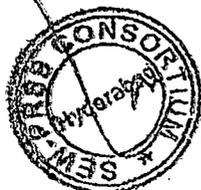
Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
— Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis" - Reg.
Ref: Your bid dt. 20-1-2011.

Your bid for the subject Project i.e., Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" submitted vide your bid dt. 20-1-2011 has been accepted by VPT Board.

You are requested to treat this letter as the "letter of Award (LOA)". A detailed order along with draft concession agreement to be entered as per the relevant clauses of RFP, RFP & DCA documents and other terms and conditions will be issued separately.

In this regard, in terms of the clause 3.3.5 of RFP document, a duplicate copy of this LOA which is enclosed, shall be returned duly signed within 7 days of the receipt of LOA in acknowledgement thereof.

Yours faithfully,

Secretary &
Attorney of the BoardGram: PORT TRUST, FAX: 0891 - 2565023, Phone: 0891 - 2565289, E-mail: ,
Web: www.vizagport.com. Visakhapatnam - 530 035. (A rt.com, We info@vizagpo

Received 3/22/2011 3:36 PM



SEW - PRSB Consortium

SEW/R.BD/EQ-1A/2011/RS

Dated: 21-05-2011

To: The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Handwritten notes and signatures:
25/5/11
25/5/11
25/5/11

Sub: "Development of East Quay - 1A (EQ-1A) Berth on south side of EQ-1 Berth for Handling Thermal coal in the River Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis".

Handwritten notes:
1/1/11
25/5/11

Ref: 1. LOA vide letter no: (ENG/EE(Projects)/EQ-1A/Vol. VI/81, Dated: 19-03-2011.
2. Clause 3.3.5 of RFP Document.

Dear Sir,

We, SEW-PRSB hereby acknowledge the receipt of the Letter of Award vide your letter number as cited 1st above and herewith enclose copy of the LOA duly signed and stamped as an acknowledgment of the same.

Thanking you and with Regards,

For & Behalf of
SEW - PRSB CONSORTIUM

(LALIT AHORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



Encl: As stated above.

G/O, SEW Infrastructure Limited, G-3-871, Shehalataf, Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P.). Tel: 040-23402153, 23403270, 35512157,
Fax: 040-23405916, E-Mail: mail@sewinfrastucture.com

Received: 3/22/2011 3:36 PM



Handwritten signature and initials.

IMMEDIATE

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001



No. FENG//BE(Projects)//EQ-1A/Vol. VIII/ *SR*
Dt. 19.3.2011.

To:
SBN-PRSB Consortium,
6-3-87 L, Sreelalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Sir,

Subj: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.
Ref: Your bid dt. 20-1-2011.

Your bid for the subject Project i.e., Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" submitted vide your bid dt. 20-1-2011 has been accepted by WPT Board.

You are requested to treat this letter as the "Letter of Award (LOA)". A detailed order along with draft concession agreement to be entered as per the relevant clauses of RFP, RFP 3-DCA documents and other terms and conditions will be issued separately.

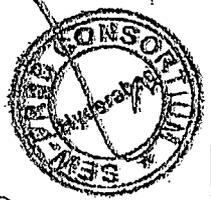
In this regard, in terms of the clause 3.3.5 of RFP document, a duplicate copy of this LOA which is enclosed, shall be returned duly signed with in 7 days of the receipt of LOA in acknowledgement thereof.

Yours-faithfully,

[Signature]
Secretary &

Attorney of the Board

Grand: PORT TRUST, FAX : 0391 - 2565023, Phone: 0391 - 2565289, E-mail: ,
Web: www.vizagport.com. Visakhapatnam - 530 035. (A. nt.com, We info@vizagpo



dated 3/22/2011 3:36:28



[Handwritten marks]

BY REGD POST WITH LACK DUE

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENTISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORTNo. IENG/EE(Projects)/EQ-1A/Vol. VI/ 126
Dt. 27-4-2011.From:The Secretary & Attorney of the Board,
Visakhapatnam Port Trust
VISAKHAPATNAM - 530 035.

To,

M/s. SEW-PRSB Consortium,
6-3-871, Snehachalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

- Ref: 1. This office letter of Award (LOA) No. IENG/EE(Projects)/EQ-
-
- 1A/Vol. VI/81 Dt. 19-3-2011.
-
2. This office lr No. IENG/EE(Projects)/EQ-1A/Vol.VI/111
-
- dt.19.04.11

With reference to the above subject in acknowledgement to the Letter of Award (LOA) issued on 19-3-2011 vide reference 1st cited, for the subject Project, it is required to sign the Concession Agreement between the Concessionaire, M/s. SEW-PRSB Consortium, Hyderabad and Concessioneing Authority, M/s. Visakhapatnam Port within 30 days of the issue of Letter of Award.

In accordance with the relevant clauses of the RFQ, RFP and Concession Agreement, the details of the SPV submitted by you vide letter dt. 20-4-2011 are under scrutiny by VPT for approval.



[Handwritten signature]

[Handwritten signature]

BY REGD POST WITH ACK DUE

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENTISO 9001 PORT
ISO14000 PORT
OHSAS 18001 PORTNo. IENG/EE(Projects)/EQ-1A/Vol. VI/ 126
Dt. 27-4-2011.From:The Secretary & Attorney of the Board,
Visakhapatnam Port Trust
VISAKHAPATNAM - 530 035.

To,

M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road,
Begumpet,
HYDERABAD - 500 016ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

- Ref: 1. This office letter of Award (LOA) No. IENG/EE(Projects)/EQ-1A/Vol. VI/81 Dt. 19-3-2011.
2. This office lr No. IENG/EE(Projects)/EQ-1A/Vol.VI/111 dt.19.04.11

With reference to the above subject in acknowledgement to the Letter of Award (LOA) issued on 19-3-2011 vide reference 1st cited, for the subject Project, it is required to sign the Concession Agreement between the Concessionaire, M/s. SEW-PRSB Consortium, Hyderabad and Concessioneing Authority, M/s. Visakhapatnam Port within 30 days of the issue of Letter of Award.

In accordance with the relevant clauses of the RFQ, RFP and Concession Agreement, the details of the SPV submitted by you vide letter dt. 20-4-2011 are under scrutiny by VPT for approval.



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In this regard, please find herewith enclosed a copy of the Draft Concession Agreement to be entered as per relevant clauses of RFQ, RFP, IIA documents for further necessary action at your end.

The date and time of signing of Concession Agreement will be informed separately please.

You have to enter into an Agreement (Concession Agreement) on non-judicial stamp paper worth Rs.100/- and on conquest bond paper.

This letter, your tender Dt. 20-01-2011, Draft Concession Agreement (DCA) to be entered in to with the Concessing Authority in connection with the subject Project inclusive of the RFP documents and connected corrigendums and correspondence exchanged with you in this regard shall form part of the agreement.

It is hereby informed that from the date of signing of the Concession Agreement that the Conditions Precedent as prescribed in Article - 3 of Concession Agreement are to be complied within a period of 90 (ninety) days as per Clause 3.2 of Concession Agreement.

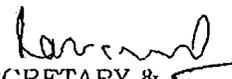
Upon satisfactory compliance of the Conditions Precedent as per the Concession Agreement, the concession will be granted for a period of 30 years commencing from the date of Award of concession as per the clause and articles of Concession Agreement.

For any clarifications with reference to the concession, it is informed that the Concessionaire and the Concessing Authority will abide by the interpretations as specified in the clause of 1.3 of Concession Agreement.

This is for information and immediate response.

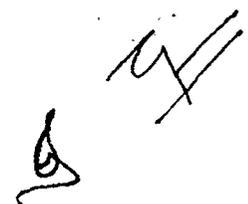
Encl: As above.

Yours faithfully,


 SECRETARY &
 ATTORNEY OF THE BOARD

Copy to: CE/FA&CAO/DC/CME/DIRECTOR (R&P) / RAO /VPI





Statement showing the certain provisions of Draft Concession Agreement which were issued prospective bidders vis a vis modified provisions which are to be issued to the selected bidder of EQ-1A Berth



SI No	Clause No	Page No	Provisions as per DCA furnished to Bidder	Provisions modified in DCA	Remarks
1	12.2(c)	80 & 81	<p>i) Development of WQ-8 berth including mechanized handling facility in the northern arm of inner harbour of Visakhapatnam Port for handling Alumina and other dry bulk cargo on DBFOT basis.</p> <p>ii) Development of EQ-10 berth in the northern arm of inner harbour of Visakhapatnam Port for handling liquid cargo like bio-diesel, caustic soda, edible oils and chemicals on DBFOT basis.</p> <p>iii) Development Western Quay -7 (WQ-7) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam Port for handling Alumina and other Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.</p> <p>v) Development of WQ-6 berth in the northern arm of inner harbour of Visakhapatnam Port for handling dry bulk cargo like C.P.Coke, LAM Coke, Steel and Granite blocks on DBFOT basis.</p>	<p>i) Development Western Quay -8 (WQ-8) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam Port for handling Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.</p> <p>ii) Development of Eastern Quay - 10 (EQ-10) berth in the northern arm of inner harbour of Visakhapatnam Port for handling liquid cargo(excluding POL products) on DBFOT basis.</p> <p>iii) Development Western Quay -7 (WQ-7) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam Port for handling Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.</p> <p>v) Development of Western Quay-6 (WQ-6) berth in the northern arm of inner harbour of Visakhapatnam Port for handling dry bulk cargo on DBFOT basis.</p>	Modified as per original nomenclature of Projects
2	Appendix-4	141	iii. Track for Ship loader:	iii. Track for Ship loader - 1500 TPH:	As per the clarifications given to Department of Economic Affairs (DEA)
3	Appendix-4	142	vi. <u>Convevor gallery.....:</u> Cargo on thefor the transportation of cargo to East Dumps	vi. <u>Convevor gallery.....:</u> Cargo on thefor the transportation of Steam Coal to East Dumps	As per the clarifications given to Department of Economic Affairs (DEA)
4	Appendix-4	142	viii) <u>Development of Stock pile area.....:</u> An area on 1,01,200 Sq.M has been.....	viii) <u>Development of Stock pile area.....:</u> An area of 1,01,200 Sq.M has been.....	Typographical error
5	Appendix-4	143	ix) <u>Wagon loading platform.....:</u> The wagon loading system.....to ensure free unhindered movement of the trains	ix) <u>Wagon loading platform.....:</u> The wagon loading system.....to ensure free unhindered movement of the trains	Typographical error



Clause No	Page No	Provisions as per DCA furnished to Bidder	Provisions modified in DCA	Remarks
Appendix-4 Security Clause	144 & 145	The Concessionaire shall sourcing equipments from foreign countries.	<p>The Concessionaire shall sourcing equipments from foreign countries.</p> <p>In addition, the following shall be complied:</p> <p>a) The Associate member of M/s PRSB viz, (a) M/s Westports holdings Sdn Bhd and (b) M/s Westports Malaysia Sdn Bhd shall have no relationship whatsoever with M/s PRSB's role in SEW - PRSB Consortium for undertaking the Project;</p> <p>b) That the Associate members of M/s PRSB shall not interfere in any manner whatsoever in the role of M/s PRSB or otherwise of the consortium in the development of the Project</p> <p>c) If M/s PRSB, the consortium partner, employs any Chinese worker (i.e from Mainland China or Taiwan or Hongkong), whether on contract or otherwise, it shall, before employing any such worker, obtain separate clearance for such workers.</p>	<p>As per the VPT's letter No. IEGN / EE(Projects) / EQ-1A / Pt. V / 50 dt. 21.02.2011 addressed to SEW-PRSB consortium</p> <p><i>in terms of the Ministry's letter to consortium vide No- PD -11015/5 (2010 - VPT (EQ-1A) dt - 9.2.2011</i></p>

Handwritten signatures and initials at the bottom left of the page.

STATEMENT SHOWING THE CORRESPONDENCE EXCHANGED BETWEEN

M/s. SEW-PRSB CONSORTIUM, HYDERABAD AND VPT.

OUT GOING LETTERS

- ~~1) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SEW/PRSB/F.EQ-1A/2011/RS Dt. 21.05.2011~~
- ~~2) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SEW/PRSB/F.EQ-1A/2011/RS Dt. 22.05.2011~~
- 3) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SEW/PRSB/F.EQ-1A/2010/RS Dt. 22.07.2011
- 4) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SEW-PRSB/VPT/EQ-1A/2011/38 Dt. 17.08.2011
- ~~5) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/001 Dt. 20.08.2011~~
- ~~6) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/002 Dt. 20.08.2011~~
- ~~7) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/005 Dt. 07.10.2011~~
- 8) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/026 Dt. 10.10.2011
- ~~9) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/025 Dt. 21.10.2011~~
- 10) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/ Dt. 22.10.2011
- 11) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/031 Dt. 11.11.2011
- ~~12) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/EQ-1A/2011/ENGG/033 Dt. 25.11.2011~~
- 13) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/BOT/EQ-1A/2011/034 Dt. 18.11.2011
- 14) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/BOT/EQ-1A/2011/035 Dt. 26.12.2011
- 15) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVPTL/BOT/EQ-1A/2011/037 Dt. 13.1.2012
- 16) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/038 Dt. 21.01.2012
- 17) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/039 Dt. 21.01.2012
- 18) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/040 Dt. 24.01.2012
- 19) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/041 Dt. 25.01.2012
- 20) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/042 Dt. 27.01.2012
- 21) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/043 Dt. 31.01.2012
- 22) M/s. SEW-PRSB CONSORTIUM, HYDERABAD. Ltr No. SVCTPL/EQ-1A/2011/ENGG/044 Dt. 01.02.2012



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SEW - PRSB Consortium

SEW/PRSB/F. EQ-1A/2011/RS

Dt. 21.05.2011.

To,
The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035,
Andhra Pradesh, India.

Dear Sir,

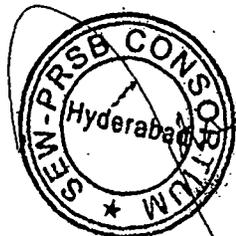
Sub: "Development of East Quay - 1A (EQ-1A) Berth on South side of EQ - 1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" - Reg.

Ref: Letter No. IENG / EE (Projects) / EQ - 1A / Vol. VI / 126, Dated: 27-04-2011.

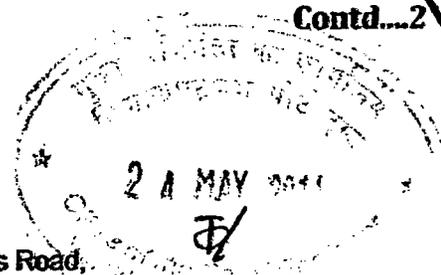
@@@

We acknowledge receipt of the above cited letter along with i) Modified draft copy of the Concession Agreement and ii) ANNEXURE 1 "Statement showing the certain provisions of Draft Concession Agreement which were issued prospective bidders vis a vis modified provisions which are to be issued to the selected bidder of EQ-1A Berth", as enclosures.

As per Sl. No. 1 of the statement cited above, Clause no. 12.2 (c) on page no. 80 and 81 was modified by Visakhapatnam Port Trust as per original nomenclature of Projects proposed at WQ-8, EQ-10, WQ-7, and WQ-6. The titles of Western Quay berths WQ-6, WQ-7, and WQ-8, mention "handling dry bulk cargo."



Contd...2



Co: SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

Handwritten signature/initials

SEW - PRSB Consortium

::2::

Considering the Exclusivity Period granted to the EQ-1A berth for loading thermal coal and steam coal, a note may kindly be inserted in the Concession Agreement of EQ-1A and in the Concession Agreements of WQ-6, WQ-7, and WQ-8 berths that the dry bulk cargo permitted to be handled at Western Quay berths WQ-6, WQ-7, and WQ-8 is dry bulk cargo other than thermal coal and steam coal.

Thanking you and with regards,

For & on behalf of
SEW - PRSB CONSORTIUM

AN
(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



SEW - PRSB Consortium

SEW/PRSB/F.EQ-1A/2011/RS

Dt. 23.05.2011.

To:

The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035,
Andhra Pradesh, India.

Dear Sir,

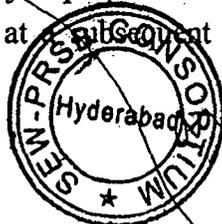
Sub: "Development of East Quay - 1A (EQ-1A) Berth on South side of EQ - 1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" - Reg.

Ref: 1) Letter No. IENG/EE (Projects)/EQ - 1A / Vol. VI / 126, Dated: 27-04-2011.
2) The Minutes of the 99th Meeting of the Expert Appraisal Committee for Building/ Construction Projects/ Township and Area Development Projects, Coastal Regulation Zone, Infrastructure Development and Miscellaneous projects held on 5th -6th April, 2011 in Tansen Hall, Scope Complex, New Delhi.
3) The Minutes of the 100th Meeting of the Expert Appraisal Committee for Building / Construction Projects / Township and Area Development Projects, Coastal Regulation Zone, Infrastructure Development and Miscellaneous projects held on 11th -12th May, 2011 in Fazal Chamber, Scope Complex, New Delhi.

@@@@@

This letter is in reference to the MoEF clearance for the development of the subject project above. In this regard, we would like to bring the following points for your kind attention.

- 1) The minutes cited at reference no. 2 above, published on MoEF website, indicate that the Expert Appraisal Committee (EAC) of MoEF has specified certain conditions for the strict compliance by the project proponent.
- 2) The minutes were confirmed at a subsequent meeting cited at the reference no. 3 above.



Contd....2

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

24 MAY 2011

TY

SEW - PRSB Consortium

::2::

- 3) One of the conditions specified by EAC reads that the coal storage shall be in closed shed to minimize the fugitive emissions and the drawings shall be submitted to MoEF and to SPCB.
- 4) From the minutes cited at reference no. 2 above and from the scope of work specified as a part of the bid documents for the subject project above, we understand that the project proponent i.e. Visakhapatnam Port Trust will be providing the closed shed for coal storage if the same is specified in the Environmental and CRZ clearance for the subject project above. Please confirm the same.
- 5) In the event that Visakhapatnam Port Trust (the Concessing Authority) requires SEW-PRSB Consortium (the Concessionaire) to provide closed shed for coal storage at stock yard of EQ-1A, the design and financial parameters would undergo major changes well beyond the scope of work and the project financials that are presented to TAMP for tariff fixation. The project viability, thus, gets completely affected in such a scenario.

In view of the above, we humbly request your kind advice regarding further course of action.

Thanking you and with regards,

For & on behalf of
SEW - PRSB CONSORTIUM

(LALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



SEW - PRSB Consortium

SEW/PRSB/F. EQ-1A/2010/RS

Date: 22-07-2011

To,

Mr. K. Ramachandra Rao, Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035
Andhra Pradesh, India

Dear Sir,

Sub: DEVELOPMENT OF EAST QUAY -1A (EQ-1A) BERTH OF SOUTH SIDE OF EQ1 BERTH IN THE INNER HARBOUR OF VISAKHAPATNAM PORT ON DESIGN, BUILD, FINANCE, OPERATE AND TRANSFER (DBFOT) BASIS.-REG

Ref: Your Letter No IENG/EE(Projects)/EQ-1A/Vol.VI/209 dated 18/07/2011

We refer to the observations raised by Suri & Co Law Firm on the constitutional documents of the Special Purpose Vehicle viz. SEW Vizag Port Terminal Ltd, forwarded to us through the above captioned letter. Our responses are as under:

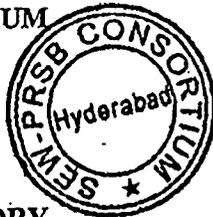
- a) SEW Infrastructure Ltd the consortium member, has in its meeting of the Board of Directors dated March 21, 2011, authorised SEW Transportation Networks Ltd (STNL) - a wholly owned subsidiary of SEW Infrastructure Ltd - to form the SPV on behalf of the SEW-PRSB consortium for taking up the project of Development of East Quay -1A (EQ-1A) berth of south side of EQ1 berth in the inner harbour of Visakhapatnam Port. Further, the resolution also stipulated that the above resolutions would become effective upon receipt of the consent of Pmbinaan Redzai Sdn.Bhd (PRSB) - the other partner of the consortium. A copy of the above resolution is enclosed for your perusal.
- b) The consent letter for the above arrangement from PRSB is also enclosed.

We hope that the observations raised by the consultants have been addressed.

Thanking you & with regards,
For & on behalf of:

SEW - PRSB CONSORTIUM

(ALIT ARORA)
VICE PRESIDENT
AUTHORISED SIGNATORY



Encl:-

1. SEW Board Resolution dated 21st March- 2011
2. Consent Letter dated 21st March -2011 of PRSB.

C/o SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016. E-Mail: mail@sewinfrastructure.com



[Handwritten signature]



50 Years
of Excellence

CERTIFIED COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF M/s. SEW INFRASTRUCTURE LIMITED HELD ON MONDAY, THE 21ST DAY OF MARCH, 2011 AT THE REGISTERED OFFICE OF THE COMPANY AT 6-3-871, 'SNEHALATA', GREENLANDS ROAD, BEGUMPET, HYDERABAD - 16

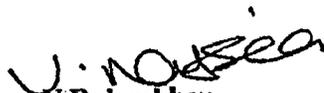
Authorization to M/s. SEW Transportation Networks Limited for Formation of Special Purpose Vehicle for Vizag Port Terminal Project

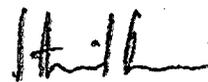
The Company had entered into a Joint Bidding Agreement (dated 14th December, 2009) with M/s. Pembinaan Redzai Sdn Bhd (PRSB) for jointly bidding for the Project viz. 'Development of East Quay - 1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis'. The Bid submitted by the SEW-PRSB Consortium has been accepted by the Visakhapatnam Port Trust and a Letter of Award to this effect has been issued on 19.03.2011. A Special Purpose Vehicle (SPV) has to be created for execution of the Project. In this regard, it was proposed that as per the Corporate Strategy of SEW, the SPV would be formed on behalf of the Consortium by M/s. SEW Transportation Networks Limited (STNL), the company's Wholly Owned Subsidiary, and that after formation of the SPV, STNL and PRSB would hold 74% and 26% respectively in the SPV. The proposal has been approved and the following resolutions were unanimously passed :

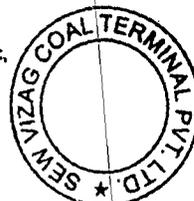
"RESOLVED THAT subject to the consent of M/s. Pembinaan Redzai Sdn Bhd (PRSB), M/s. SEW Transportation Networks Limited (STNL), the company's Wholly Owned Subsidiary, be and is hereby authorized to form a Special Purpose Vehicle (SPV) on behalf of the SEW-PRSB Consortium for taking up the Project viz. 'Development of East Quay - 1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis' and hold 74% of the stake in the Equity of the SPV."

"RESOLVED FURTHER THAT Mr. S Anil Kumar, Director of the company, be and is hereby authorized to do all such acts, deeds and things requisite for giving effect to the said resolution."

for SEW Infrastructure Limited


V Rajasekhar
Managing Director


S Anil Kumar
Director



Regd Office:
6-3-871, 'Snehalata', Greenlands Road, Begumpet,
Hyderabad 500 016, A.P. India
Tel: +91 40 663 000 00 Fax +91 40 663 000 01
www.sewinfrastructure.com

PAN No. AADCS466P
ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 Certified

PEMBINAAN REDZAI SDN. BHD. (Company No. 149419-T)

Dated 21st March, 2011

To
M/s. SEW Infrastructure Limited (SIL)
6-3-871, 'Snehalata', Greenlands Road,
Begumpet, Hyderabad - 16

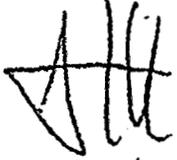
Dear Sirs,

Sub : Formation of Special Purpose Vehicle (SPV) for the Project viz. 'Development of East Quay - 1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis'

Ref : (a) Letter of Award issued by Visakhapatnam Port Trust dated 19.03.2011
(b) Joint Bidding Agreement dated 14.12.2009
(c) Board Resolution of M/s. SEW Infrastructure Limited dated 21.03.2011

We hereby acknowledge the receipt of the aforesaid Board Resolution of SIL. We understand that SIL proposes to form the SPV initially as a Wholly Owned Subsidiary of M/s. SEW Transportation Networks Limited (STNL), a Wholly Owned Subsidiary of SIL and that STNL and PRSB would hold 74% and 26% stake in the Equity of the SPV. We hereby accord our Consent for the same.

for Pembinaan Redzai Sdn Bhd

Director 



SEW - PRSB Consortium

SEW-PRSB/VPT/EQ-1A/2011/ 38

Dt 12-08-2011

17

To,
The Chief Engineer,
Engineering Department
Visakhapatnam Port Trust
Visakhapatnam, Andhra Pradesh, India.

Dear Sir,

Sub: - Development of East Quay-1A Berth on South side of EQ-1 Berth in the inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg

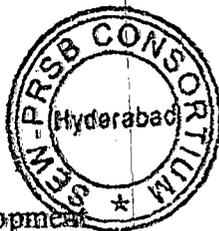
Ref:- VPT Letter No: IENG/EE(Projects)/eq-1a/Vol-1a/ Vol .VI/223 Dt. 11-08-2011.

With reference to your letter cited above, the validity of the Bank Guarantee No: B303911BG0000101 Dt 17-01-2011 for Rs 3,13,40,000 submitted towards Bid Security for the above work has been extended upto 16.02.2012.

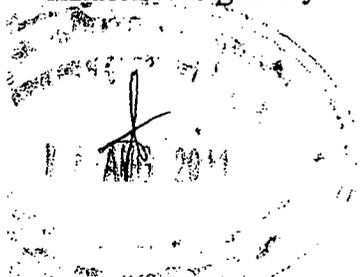
The extended Bank Guarantee in original is here with attached.

Thanking you,

Yours faithfully,
For SEW-PRSB Consortium



Lalit Arora
Vice President-Business Development
Authorised Signatory

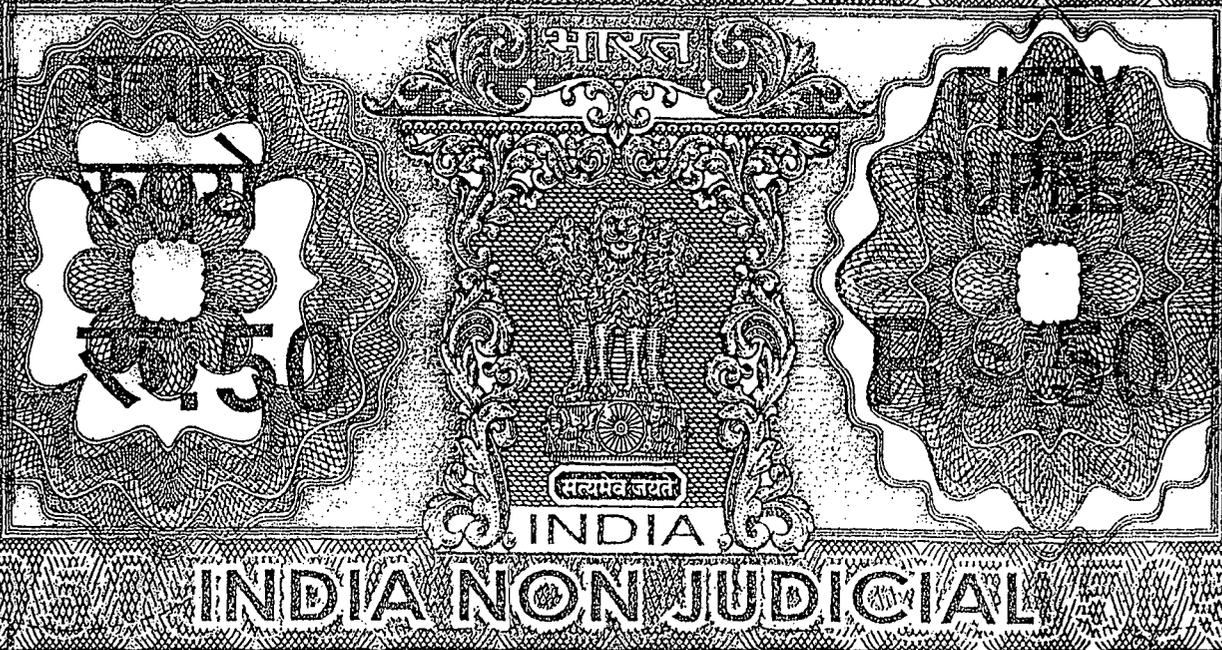


C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



Handwritten signature

भारतीय गैर न्यायिक



ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

S/No 21346 Date: 20-07-2011

Sold To: Venkateswarlu S/o Pullaiah R/o Hyd

For Whom: State Bank of India CAG Branch, Panjagutta, Hyd

P.SRINIVAS

LICENCED STAMP VENDOR

LIC.No.16-11-74/1993

REN.No.16-11-10/2011

H. No. 7-1-400/10,

AMBERPET, BALKAMPET ROAD,

HYDERABAD-16 (SOUTH) DISTRICT

PHONE No: 040-23715409

STATE BANK OF INDIA

Corporate Accounts Group Branch, Punjagutta Main Road, Hyderabad - 082

Visakhapatnam Port Trust,
Visakhapatnam, Andhra Pradesh, India.

10 AUG 2011

Extension Guarantee No.	:	1
For Original Bank Guarantee No.	:	1303911 BG 0000101
Renewal Period	:	17.08.2011 to 16.02.2012
Last date for lodgement of claim	:	16.02.2012
Under Extension Guarantee	:	16.02.2012
Customer	:	SEW-PRSB Consortium
Amount	:	Rs.3,13,40,000/-

1. We hereby inform you that the Guarantee No.1303911 BG 0000101 issued by us on 17.01.2011 and due to expires on 16.08.2011 shall stand extended upto 16.02.2012. Claim period upto 16.02.2012.

कृते भारतीय स्टेट बैंक
For STATE BANK OF INDIA

सहायक प्रबंधक (सि.एस.)/Asst. Manager (CS)
कार्पोरेट लेखा समूह शाखा, हैदराबाद
CAG Br. Hyderabad (13039)

JSHA SRIDHARAN

SS No. U-524



कृते भारतीय स्टेट बैंक
For STATE BANK OF INDIA

मुख्य प्रबंधक (सि.एस.)/Chief Manager (CS)
कार्पोरेट लेखा समूह शाखा, हैदराबाद
Corporate Accounts Group Br. Hyd

RAMESH
SS No. R-5137

Contd..2.



SVPT/EO-1A/2011/BOT/001

Date: 20-08-2011

To,

The Chairman,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035,
Andhra Pradesh, India.

Dear Sir,

Sub:- Development of East Quay -1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis - Reg.,

We are enclosing herewith a statement with our observations to bring the Draft Concession Agreement, sent to us along with the Detailed Order vide Lr. No. IENG / EE (Projects) / EQ-1A / Vol. VI / 126, dated 27th April 2011, in line with the scope of development envisaged for EQ-1A berth as per the RFP document. These observations are brought to your kind attention with an objective to improve clarity with respect to scope of work of the Concessionaire, as some of the provisions of Appendix - 4 of the Draft Concession Agreement are only relevant for ship unloading and wagon loading envisaged at EQ-1 berth, not for wagon unloading and ship loading envisaged at EQ-1A berth.

Our other observation is that articles related to "Management Contract" and "Management Contractor" aren't applicable as per our bid submitted and as per the Concession Agreement. We request that the Exclusivity granted to the Concessionaire of EQ-1A berth as per the Concession Agreement be upheld by limiting the dry bulk cargo to be handled at West Quay berths WQ-6, WQ-7 and WQ-8 to "Dry Bulk Cargo other than Thermal Coal and Steam Coal" as envisaged under the bid documents of EQ-1A berth and

A handwritten signature in black ink, appearing to be 'A. M.', located at the bottom center of the page.



as requested vide letter from SEW-PRSB Consortium (Lr. No. SEW / PRSB / F.EQ-1A / 2011 / RS, dated 21st May 2011), a copy of which is enclosed herewith for your kind reference.

In view of the above, we bring the above matter to your kind attention for expeditious finalization and approval of the Concession Agreement to be entered into.

Thanking you & with regards,

(S. ANIL KUMAR)

DIRECTOR

SEW VIZAG PORT TERMINAL LTD.

Encl.:

- 1) Statement showing our observations on certain provisions of the Draft Concession Agreement (DCA)
- 2) A copy of Lr. No. SEW / PRSB / F.EQ-1A / 2011 / RS, dated 21st May 2011

Statement showing our observations on certain provisions of the Draft Concession Agreement (DCA)

SI No.	Article No.; Page No.	Provisions as per DCA furnished as a part of the Detailed Order	Observations	Remarks
1	3.1(a)(v); Pg. 32	<p>"Furnishing a copy of the Management Contract, 12"</p> <p>"12 To be retained where relevant i.e. where on the strength of the Management Contract the consortium has qualified technically."</p>	To be deleted.	This condition may kindly be deleted as M/s. PRSB is a member of the SEW-PRSB consortium.
2	12.1(f); Pg. 77	<p>"The Concessionaire shall engage the Management Contractor and execute the Management Contract, thereby entrusting the Management Contractor with the responsibilities of operating and managing the Project Facilities and Services in the manner envisaged under the Request for Proposal.³² A copy of the Management Contract shall be provided to the Concessions Authority and the same shall not be amended, substituted or revoked without the prior written consent of the Concessions Authority."</p> <p>"32 This may be added in cases where the project has been awarded on the strength of the management contractor."</p>	The quoted text in the Article 12.1(f) pertains to Management Contractor and Management Contract. Under Article 1.1 (Definitions) of DCA, it was stated that the definition and the usage of the "Management Contractor" will be retained depending on the bids i.e. where the consortium meets the technical criteria on the strength of its management contractor who is not a member of the consortium. In this regard it may kindly be noted that M/s. PRSB is a member of the SEW-PRSB Consortium, not a Management Contractor.	The provision mentioning Management Contractor may kindly be deleted as M/s. PRSB is a member of the SEW-PRSB consortium.

12.2(c)
Pg. 80 &
81

The Concessioneing Authority shall not operationalise any additional facility within Port Limits for handling STEAM COAL and THERMAL COAL 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 75% (seventy five percent) of Project Capacity for 2 (two) consecutive years ("Exclusivity Period"). Provided, this restriction shall not apply to the additional facility envisaged as below:

- i) *Development Western Quay -8 (WQ-8) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam Port for handling Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.*
- ii) *Development of Eastern Quay - 10 (EQ-10) berth in the northern arm of inner harbour of Visakhapatnam Port for handling liquid cargo(excluding POL products) on DBFOT basis.*
- iii) *Development Western Quay -7 (WQ-7) berth including mechanical handling facilities in the Northern arm of inner harbour of Visakhapatnam*

A note may kindly be inserted in the Concession Agreement of EQ - 1A and in the Concession Agreements of WQ-6, WQ-7 and WQ-8 berths that the dry bulk cargo permitted to be handled at West Quay berths WQ-6, WQ-7 and WQ-8 is "Dry Bulk Cargo other than Thermal Coal and Steam Coal," considering the Exclusivity Period granted to the EQ-1A berth.

Draft Concession Agreement, based upon which the bid was submitted, clearly specified the names of dry bulk cargo permitted to be handled at the competing facilities. Such specified dry bulk cargo included CP Coke, LAM Coke, Steel and Granite blocks to be handled at WQ-6, Alumina and other dry bulk cargo to be handled at WQ-7 and WQ-8.

It may kindly be noted that in the Detailed Order sent, vide Letter No. IENG/EE(Projects)/EQ-1A/Vol. VI/126 dated 27th April 2011, the Concessioneing Authority has changed the title of WQ-6, WQ-7 and WQ-8 to "handling dry bulk cargo" by providing remarks as "modified as per original nomenclature of Projects."

In this regard, it may kindly be noted that "dry bulk

Port for handling Dry bulk cargo on Design, Build, Finance, Operate and Transfer (DBFOT) Basis.

- iv) Development of East Quay - 1 (EQ-1) berth by replacing the existing EQ-1 berth and part of EQ-2 berth for handling Steam Coal in the inner harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis.*
- v) Development of Western Quay-6 (WQ-6) berth in the northern arm of inner harbour of Visakhapatnam Port for handling dry bulk cargo on DBFOT basis.*
- vi) Mechanisation of Iron ore handling facilities at WQ-1 berth for handling iron ore in the inner Harbour of Visakhapatnam Port on DBFOT basis.*
- vii) Mechanization of Coal handling facilities and upgradation of General Cargo berth (GCB) at outer harbour of Visakhapatnam Port to cater to 200,000 DWT vessels on DBFOT basis.*
- viii) Installation of Mechanized fertilizer handling facility at EQ-7 in the inner harbour of Visakhapatnam Port on DBFOT basis.*

cargo" includes thermal coal and steam coal and that EQ-1A berth is given exclusivity to load thermal coal and steam coal into vessels of size up to 80,000 DWT.

4	Appendix -4 (iv. <u>Foundation for the hopper track</u>); Pg. 141	"The cargo shall be discharged from the ship's holds to conveyor installed immediately behind the berth through mobile hoppers which are proposed to move any where along the length of the berth for which necessary rail tracks supported on foundations shall be provided."	To be deleted.	This clause may kindly be deleted, because the facility envisaged at EQ-1A is meant for ship loading as mentioned under clause no. 1.1.3 of RFP.
5	Appendix -4 (v. <u>Conveyor gallery on the rear side of the berth</u>); Pg. 142	"The Ship Loader provided on the berth shall discharge the coal from the ship's hold to a conveyor installed behind the berth through mobile hoppers which is further connected to over head transport conveyors. Therefore, provision shall be made for the conveyor to receive the cargo from the ship to the location immediately behind the berth."	To be deleted.	This clause may kindly be deleted, because the facility envisaged at EQ-1A is meant for ship loading as mentioned under clause no. 1.1.3 of RFP.
6	Appendix -4 (vi); Pg. 142	<u>"vi. Conveyor gallery and supports from berth to the stock pile area:</u> Cargo on the unloaded conveyors will be conveyed to the stacks at the East Dumps by a system of overhead conveyors. There shall be a system of four conveyors for each of the unloading conveyors, for the transportation of Steam Coal to East Dumps."	<u>"vi. Conveyor gallery and supports from the stock pile area to the berth:</u> Cargo will be conveyed from the stacks at the East Dumps by a system of overhead conveyors."	This clause may kindly be modified to reflect the scope envisaged under clause no. 1.1.3 of RFP.
7	Appendix -4 (vii. <u>Stacker and reclaim</u> er	"Necessary railway tracks with suitable foundations and a suitably designed stacking system shall be provided consisting of receiving conveyors, stacking conveyors for stacking the cargo as well as to reclaim and	"Necessary railway tracks with suitable foundations and a suitably designed stacking system shall be provided consisting of receiving conveyors, stacking conveyors for stacking the	This clause may kindly be modified to reflect the scope envisaged under clause no. 1.1.3 of RFP.

	<u>tracks with foundations and conveyors</u> Pg. 142	transport with suitable capacities for feeding to the wagon loading system. Necessary foundation with rail tracks with foundations shall be provided for the stacker and reclaimer stacks."	cargo as well as to reclaim and transport with suitable capacities for feeding to the ship holds. Necessary foundation with rail tracks shall be provided for the stacker and reclaimer tracks."	
8	Appendix -4 (viii); Pg. 142	"An area of 1,01,200 Sq. M. has been identified for stacking the coal at the east dumps from where the cargo is further loaded into the rakes through stacking system as indicated above."	"An area of 1,01,200 Sq. M. has been identified for stacking the coal at the east dumps from where the cargo is further loaded into the ships."	This clause may kindly be modified to reflect the scope envisaged under clause no. 1.1.3 of RFP.
9	Appendix -4 (ix. <u>Wagon loading platform with suitable foundation and conveyor supports</u>) Pg. 143	"The Wagon Loading System consists of Wagon Loading Conveyor and Wagon Loader. The reclaimed cargo from the Reclaiming Conveyors shall be fed to the Wagon Loading Conveyor through link conveyors and the reclaimed cargo shall be loaded into the wagons by the traveling wagon loader. The Wagon Loading System shall be installed on an elevated platform of sufficient height to ensure free unhindered movement of the trains"	To be deleted.	This clause may kindly be deleted, because the facility envisaged at EQ-1A is meant for ship loading as mentioned under clause no. 1.1.3 of RFP.

SEW VIZAG PORT TERMINAL LIMITED



SVPTL/EQ-1A/2011/BOT/002

Date: 20-08-2011

To,

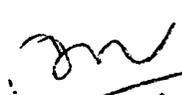
The Chairman,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035,
Andhra Pradesh, India.

Dear Sir,

Sub:- Development of East Quay - No. (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build/ Finance, Operate and Transfer (DBFOT) basis - Reg.,

Please find enclosed a letter from Sri S. Anil Kumar, Director, M/s. SEW VIZAG PORT TERMINAL LIMITED. The observations and requests in the enclosed letter are genuine and may please be considered. As signing of the Concession Agreement is likely to take place any time soon, expeditious resolution of the requests in the enclosed letter may kindly be pursued.

Thanking you & with regards,


(A. P. V. N. SARMA)

DIRECTOR

SEW VIZAG PORT TERMINAL LTD.

Encl: 1) A copy of Lr. No. SVPTL/EQ-1A/2011/BOT/001, dated 20-08-2011

SEW WIZAG PORT TERMINAL LIMITED



SVPTL/EQ-1A/2011/BOT/002

Date: 20-03-2011

To,

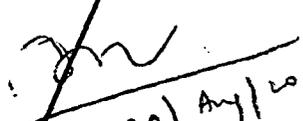
The Chairman,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035,
Andhra Pradesh, India.

Dear Sir,

Sub:- Development of East Quay - 1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis - Reg.,

Please find enclosed a letter from Sri. S. Anil Kumar, Director, M/s. SEW WIZAG PORT TERMINAL LIMITED. The observations and requests in the enclosed letter are genuine and may please be considered. As signing of the Concession Agreement is likely to take place any time soon, expeditious resolution of the requests in the enclosed letter may kindly be pursued.

Thanking you & with regards,


(A. P. V. N. SARMA)

DIRECTOR

SEW WIZAG PORT TERMINAL LTD.

Encl.: 1) A copy of Lr. No. SVPTL/EQ-1A/2011/BOT/001, dated 20-03-2011

SEW - PRSB Consortium

SVPTL/EQ-1A/2011/Engg/025

Date: 03.10.2011

To,
Mr.K.Ramachandra Rao,
Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530035,
Andhra Pradesh, India.

Sub- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 berth for handling Thermal coal in the Inner harbour of Visakhapatnam Port on Design Build, Finance, Operate and Transfer (DBFOT) basis.

Dear Sir,

The following are the queries raised by SEW-PRSB Consortium / SEW Vizag Port Terminal Limited in a meeting held on 30th September at Visakhapatnam Port Trust to discuss railway layout with the developers of EQ1A, EQ1, and GCB berths.

Sr.No.	Query Raised by SEW-PRSB Consortium / SEW Vizag Port Terminal Limited
1)	Under its clarifications to the pre-bid queries, Visakhapatnam Port Trust has mentioned that the scope of Concessionaire, in respect of railway line, is to connect the project facility to the existing port rail grid, which is within 500m from the project facility. However, Visakhapatnam Port Trust may kindly note that the existing port rail grid is farther than 500m from the project facility and that the Concessionaire has not considered cost for developing such huge railway facility while submitting its bid. Considering the above, Visakhapatnam Port Trust may kindly lay the portion of the rail siding that is in excess of 500m in length.
2)	The draft concession agreement and other bid documents don't envisage the Concessionaire to provide diesel/ electric locomotive for handling rakes pre tipping as well as post tipping. As a new requirement, Visakhapatnam Port Trust now mentions that the Indian Railways electric loco will be bringing the rake only up to the switch at which the electric loco will escape as that point will be end of electric traction. From that point onwards, full rake must be pushed by diesel loco to bring the rake near to the zone of operation of the side arm charger. Visakhapatnam Port Trust maintains that the Concessionaire shall provide diesel loco for carrying out the above mentioned pushing operation and for hauling out the emptied rakes. Visakhapatnam Port Trust may kindly provide the diesel loco required for carrying out operations as per the new requirement since the same was not mentioned in the bid documents and, hence, the costs for procurement and operation of the diesel loco were not considered while bidding for the project.

C/o. SEW Infrastructure Limited, 6-3-871, 'Shehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

3)

The backup area of 25 acres is earmarked for developing stack yard, handling facilities, and the conveyor corridor. If 10m wide peripheral green belt needs to be accommodated in this limited space, the net area available for stacking will be much less than the anticipated stack yard area of 70,840 sq.m., which is required for achieving 7.36 MTPA throughput as mentioned in the bid documents and TAMP order for EQ-1A. Hence, Visakhapatnam Port Trust is humbly requested to provide additional space for the development of green belt.

Thanking you & with Regards,

For On behalf of:
SEW-PRSB CONSORTIUM

P. Anup Kumar

(P. ANUP KUMAR)
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY



299 323

SEW - PRSB Consortium

SVPTL/EQ-1A/2011/Engg/026

Date: 10.10.2011

To,
The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530035
Andhra Pradesh, India.

Dear Sir,

Sub: - Independent Engineer for providing Engineering Consultancy Services in respect of "Development of East Quay-1A(EQ-1A) berth on south side of EQ-1 berth for handling thermal coal and steam coal in the inner harbour of Visakhapatnam Port on "DBFOT" basis"-Reg.

Ref: letter no, IENG/EE (proj)/IND ENG/EQ-1A/2011 Dt.04-10-11

We express our sincere thanks for the above referred letter dated 04-10-2011 regarding appointment of independent engineer for the subject project. We have noted that two companies were shortlisted based on the technical and financial qualifications.

We request you to kindly forward us the complete profiles of the two shortlisted companies to enable us to review the same and revert.

Thanking you & with Regards,

For On behalf of:
SEW-PRSB CONSORTIUM


(MANUP KUMAR)
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY


C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157.
Fax: 040-23405016, E-Mail: mail@sewinfrastucture.com



SEW - PRSB Consortium

SVPTL/ EQ-1A/2011/Engg/029

Date: 21-10-2011

To

Mr. K. Ramachandra Rao
Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam - 530 035
Andhra Pradesh, India

Dear Sir,

Sub:- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Based on the chapters 5 and 7 of the Techno-Economic Feasibility Report submitted as a part of the bid documents, we understand that sufficient continuous backup area (10,000 sq.m. existing) from the edge of the proposed berth to the GODOWNS at D-site area at the east side of the berth and also an area of 25.00 Acres of land for cargo storage in continuation to the backup area from East side to North East side of the berth, and water front for 280m length has been identified for the development of East Quay - 1A (EQ-1A) berth and the stacking area. We also understand that the land required for development of 10m wide peripheral green belt as well as land required for twin wagon tippler stations and rail siding is proposed to be provided additionally by the Visakhapatnam Port Trust (the Concessioneing Authority).

(Contd...2)

Page 1 of 2

SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



SEW - PRSB Consortium

We understand that the Concessioneing Authority has estimated the optimal yard capacity as 7.36 MTPA by considering effective land area available for stacking as 70,840 sq. m. From the layout drawing of EQ-1A berth, dated 18-10-2010, circulated to all the bidders vide Letter No. IENG/EE(Projects)/EQ-1A/460B (dated 18-10-2010), we understand that cargo shall be stacked in two stock piles each of 50m width and 708.33m length, resulting in effective stackable area of 70,833 sq. m. We also observe that the Concessioneing Authority has considered effective stackable area as 70,840 sq. m., while presenting its case to Tariff Authority for Major Ports (TAMP) for tariff fixation for the subject project and while replying to the pre-bid queries regarding yard capacity (Ref.: Annexure - C, Lr. No. IENG/EE(Projects)/EQ-1A/495, dated 25-11-2010).

From the above, we understand that the stackable area of 70,833 sq. m. (shown in the layout drawing of EQ-1A berth "Ref.: Lr. No. IENG/EE(Projects)/EQ-1A/460B, dated 18-10-2010) is critical to realize estimated throughput of 7.36 MTPA and that the stackable area of 70,833 sq. m. shall only be used for stacking the cargo, not for developing any other facilities. Hence, based on the above, we understand that the Concessioneing Authority is proposing to allot the Concessionaire requisite area of land for development to accommodate 70,840 sq. m. of stackable area, three stacker reclaimer berms, transfer towers, operational buildings, conveyor galleries, berth, backup area in continuation to berth etc. and also land required for development of 10m wide peripheral green belt, twin wagon tippler stations, and rail siding.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM



(P. ANUP KUMAR)

ASSOCIATE VICE PRESIDENT

AUTHORISED SIGNATORY

Page 2 of 2

G/O. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157.
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



SEW - PRSB Consortium

SVPTL/EQ-1A/2011/Engg/

Date: 22-10-2011

To

The Secretary
&
Attorney of the board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref: 1. Letter IENG/EE(Projects)/EQ-1A/Vol VI/273 dated 17.10.2011
2. Our Letter

With reference to the subject project and the letter cited above, we request your good self to kindly note that, as per its corporate strategy, M/s. SEW Infrastructure Limited (SIL) is holding 74% stake in M/s. SEW Vizag Port Terminal Limited (the SPV) through M/s. SEW Transportation Networks Limited (a wholly owned subsidiary of M/s. SEW Infrastructure Limited). We also request your good self to kindly note that M/s. SEW Infrastructure Limited, as per its corporate strategy, has been investing and holding its stake in all its transportation related BOT project assets through M/s. SEW Transportation Networks Limited (STNL).

Further, M/s. SEW Infrastructure Limited shall continue to honour its obligations as 100% owner of STNL and 74% de facto owner of the SPV in the proposed Concession Agreement and other RFP documents.

...1...

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



25/10/2011
RECEIPT CLERK
सामान्य प्रशासनिक विभाग
General Administration Department
विशाखापट्टणम पोर्ट ट्रस्ट
VISAKHAPATNAM PORT TRUST

SEW - PRSB Consortium

2. As regards formation of SPV by STNL instead of SIL by per Clause 2.3.1 and 2.3.2 of RFP and cited in the above letter, SEW Infrastructure Ltd. has recently obtained an opinion from M/s LVV Iyer & Associates, a reputed law firm based in Hyderabad and also legal advisors of SEW Infrastructure Ltd. A copy of the opinion is enclosed for your kind consideration and approval. Further, we also enclose a certificate from the Company Secretary of STNL certifying the 100% stake of SIL in SEW Transportation Networks Ltd.

3. In this connection, we have also to mention that we had earlier furnished all required documents to Visakhapatnam Port Trust for replying to the queries raised by M/s RITES, the Transaction Advisors for the Project, vide our letter SEW/PRSB/F.EQ-1A/2010/RS, dated 22.07.2011

4. In view of the foregoing, we shall be glad if the position is accepted.

Thanking you & with regards,

For & on behalf of:
SEW - PRSB CONSORTIUM

(RANUP KUMAR)
AUTHORISED SIGNATORY

(cc to Chief Engineer - Visakhapatnam Port Trust)

... 2 ...

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenland's Road,
 Begumpet, HYDERABAD-500 016 (A.P.), Tel: 040-23402153, 23403273, 55512157,
 Fax: 040-23405016, E-Mail: mail@sewinfrasturcture.com



SEW - PRSB Consortium

SVPTL/EQ-1A/2011/Engg/031

Date: 11.11.2011

To,
The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530035
Andhra Pradesh, India.

Dear Sir,

Sub:- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 berth for handling Thermal coal in the inner harbour of Visakhapatnam Port on Design Build, Finance, Operate and Transfer (DBFOT) basis.

Ref: - letter No.IENG/EE (Projects EQ-1A/Vol.2011 Dated: 21-10-2011)

With reference to the letter cited above, we have gone through the profiles of both the companies.

- 1) M/s Scott Wilson India Pvt Ltd.
 - 2) M/s TATA Projects Ltd.
- and found satisfactory.

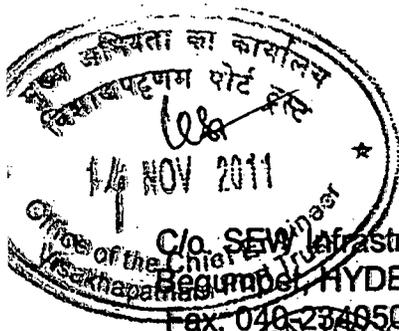
Hence, we convey our concurrence to the list of companies mentioned above for the job of independent engineer and request you to proceed with your next course of action.

Thanking you & with Regards,

For On behalf of:
SEW - PRSB CONSORTIUM



(P. ANUP KUMAR)
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY



C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Regd. Office, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23495016, E-Mail: mail@sewinfrastructure.com




SEW - PRSB Consortium

Date: 15-11-2011

A/2011/Engg/033

Chief Engineer

Visakhapatnam Port Trust

Visakhapatnam - 530 035

Andhra Pradesh, India

Dear Sir,

Subj:- Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref:- Letter No. JENG/EE (projects)/EQ-1A/Vol.VI/290 Dated 11-11-2011

With reference to your letter dated 11-11-2011 referring Cl 9.1 of Draft Concession Agreement, we observe that Cl 9.1 of Draft Concession Agreement is regarding the license fee and that the same can vary based on the area of land allotted for developing the project facilities.

With reference to your letter dated 11.11.2011, we request you to kindly note that we have not given any consent to overall layout in the meeting held on 30.09.2011 as the meeting was called for discussing comprehensive planning aspects correlated with the railway net working at east yard area, (Contd..2)

SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

NOV 2011

Chief Engineer

303
384

SEW - PRSB Consortium

SVPTL/BOT/EQ-1A/2011/034

18.11.2011

The Secretary &
Attorney of the Board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis -Reg.

Ref: Your Letter No IENG/EE/EQ-1A/Vol VI/289 dated 11/11/2011

1. We refer to your above letter and have to state as under:

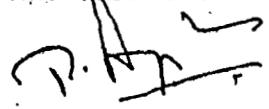
- a) The Consortium SEW Infrastructure Ltd and PRSB have been declared the winners of the project and a letter of Award was issued vide your letter No IENG/EE(Projects)/EQ-1A/Vol VI/81 dated 19/03/2011
- b) SEW Transportation Networks Ltd (STNL) - a 100% subsidiary of SEW Infrastructure Ltd and PRSB had formed SEW Vizag Port Terminal Ltd - the SPV to execute the project. After various rounds of correspondence on the subject, we have been advised vide your letter under reference, that the above arrangement is not acceptable to the Authority (VPT).

2. With a view to comply with the requirements and also expedite the process, we propose, subject to your approval, to transfer the shareholding of STNL to SEW Infrastructure Ltd, to ensure that the SPV is held by SEW Infrastructure Ltd and PRSB. This arrangement will save on time, meet the authority requirements and ensure early signing of the Concession Agreement. We shall furnish a certificate from the Statutory Auditor in this regard after effecting the above transfer in favour of SEW Infrastructure Ltd.

3. If this arrangement meets your approval we shall proceed with the same.

Thanking you & with regards

For On behalf of:
SEW - PRSB CONSORTIUM


(P. ANUP KUMAR)
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY

Encl: A statement showing the present and proposed arrangement.
Cc to Mr. Ramachandra Rao (Chief Engineer)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com




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सामान्य प्रशासनिक विभाग
General Administration Department
विशाखापत्तनम पोर्ट ट्रस्ट
VISAKHAPATNAM PORT TRUST

SEW - PRSB Consortium

... 2 ...

we also request you to kindly note that the agenda of the meeting held on 30.09.2011 was to discuss comprehensive planning correlated with railway net working at east yard area and that we thus have not given our consent to any of the layouts. Further based on the chapters 5 and 7 of the Techno-Economic Feasibility Report submitted as a part of the bid documents, we understand that sufficient continuous backup area (10,000 sq.m. existing) from the edge of the proposed berth to the GODOWNS at D-site area at the east side of the berth and also an area of 25.00 Acres of land for cargo storage in continuation to the backup area from East side to North East side of the berth, and water front for 280m length has been identified for the development of East Quay - 1A (EQ-1A) berth and the stacking area. We also understand that the land required for development of 10m wide peripheral green belt as well as land required for twin wagon tippler stations and rail siding is proposed to be provided additionally by the Visakhapatnam Port Trust (the Concessing Authority).

We understand that the Concessing Authority has estimated the optimal yard capacity as 7.36 MTPA by considering effective land area available for stacking as 70,840 sq. m. From the layout drawing of EQ-1A berth, dated 18-10-2010, circulated to all the bidders vide Letter No. IENG/EE(Projects)/EQ-1A/460B (dated 18-10-2010), we understand that cargo shall be stacked in two stock piles each of 50m width and 708.33m length, resulting in effective stackable area of 70,833 sq. m. We also observe that the Concessing Authority has considered effective stackable area as 70,840 sq. m., while presenting its case to Tariff Authority for Major Ports (TAMP) for tariff fixation for the subject project and while replying to the pre-bid queries regarding yard capacity (Ref: Annexure-C, Lr. No. IENG/EE (Projects)/EQ-1A/495, dated 25-11-2010).

From the above, we understand that the stackable area of 70,833 sq. m. (shown in the layout drawing of EQ-1A berth "Ref: Lr. No. IENG/EE (Projects)/EQ-1A/460B, dated 18-10-2010) is critical to realize estimated throughput of 7.36 MTPA and that the stackable area of 70,833 sq. m. shall only be used for stacking the cargo, not for developing any other facilities. (Contd...3)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

SEW - PRSB Consortium

... 3 ...

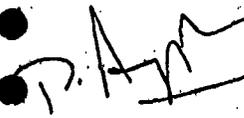
Hence we believe that the Concessing Authority will allot the Concessionaire requisite area of land for development to accommodate 70,840 sq. m. of stackable area, three stacker reclaimer berms, transfer towers, operational buildings, conveyor galleries, berth, backup area in continuation to berth etc. and also land required for development of 10m wide peripheral green belt, twin wagon tippler stations, and rail siding.

In view of the above our technical consultant is working on the land area requirements for the project. Hence shortly we shall submit a detailed note on land requirements of the project along with the layout for your kind approval.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM


(P. Anup Kumar)
Associate vice president
AUTHORISED SIGNATORY



C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road, Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512167, Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

SEW - PRSB Consortium

SEW Vizag Port Terminal Limited – Shareholding Pattern

A) Existing Arrangement:-

Name of the share holder	Number of Equity shares held	Paid -up Value of Equity Shares	% Holding
M/s SEW Transportation Networks Limited	56,923	5,69,230	74%
M/s PembinaanRedzaiSdnBhd	20,000	2,00,000	26%
Total Paid up share capital	76,923	7,69,230	100%

B) Proposed Arrangement:-

Name of the share holder	Number of Equity shares held	Paid -up Value of Equity Shares	% Holding
M/s SEW Infrastructure Limited	56,923	5,69,230	74%
M/s PembinaanRedzaiSdnBhd	20,000	2,00,000	26%
Total Paid up share capital	76,923	7,69,230	100%

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road, Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157, Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com





SEW - PRSB Consortium

SVPTL/ BOT/EQ-1A/2011/035

Date: 26-12-2011

To
The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam - 530 035
Andhra Pradesh, India

Dear Sir,

Sub:- Development of East Quay - 1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

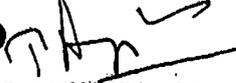
Ref: - Letter No. IENG/EE(projects)/EQ-1A/Vol.VI/321, Dated 21/22-12-2011

We hereby acknowledge receipt of your letter cited under reference above. We request you to kindly note that, as per your directions, we have already initiated the process of formation of a Special Purpose Vehicle (SPV) to undertake the subject project above as per the provisions of RFP, DCA and our bid submitted.

We are pleased to inform you that the SPV's name (SEW Vizag Coal Terminal Pvt. Ltd.) was already approved by the Registrar of Companies (RoC). We are waiting for Indian Embassy Clearance and other documentation from PRSB. As soon as we receive these documents from Malaysia, we shall immediately incorporate the SPV and send the charter and incorporation documents of SPV to your good self for scrutiny and further action at your end. We are enclosing herewith 1) Board Resolution of SEW Infrastructure Ltd., dated 29th September 2011 and 2) Copy of email from MCA portal approving SPV's name for your kind perusal.

Thanking you & with regards,
For & on behalf of:

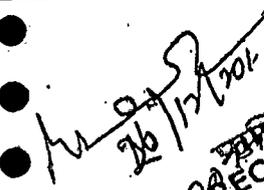
SEW - PRSB CONSORTIUM


P. ANUP KUMAR
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY

Encl: As above 1&2

Cc to Mr. Ramachandra Rao (Chief Engineer)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com


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General Administration Department
विशाखपट्टणम पोर्ट ट्रस्ट
VISAKHAPATNAM PORT TRUST





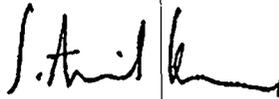
CERTIFIED COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF M/s. SEW INFRASTRUCTURE LIMITED HELD ON THURSDAY, THE 29TH DAY OF SEPTEMBER, 2011 AT HOTEL TAJ KRISHNA, ROAD NO. 1, BANJARA HILLS, HYDERABAD - 500 034

Floatation of Company

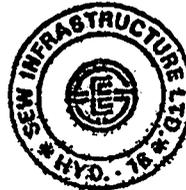
“RESOLVED THAT the consent of the Board of Directors of the company be and is hereby accorded for incorporating a Subsidiary [alongwith M/s. Pembinaan Redzai Sdn. Berhad] in the name and style, ‘SEW Vizag Coal Terminal Private Limited’ and making an initial investment of Rs. 3,70,000/- (being 37,000 Equity Shares of Rs.10/- each).”

“RESOLVED FURTHER THAT Mr. P S Murty, Associate Vice President of the company, be and is hereby authorized to sign the Memorandum of Association and Articles of Association (copies of which are placed before the Board and initialed by the Chairman for the purpose of identification) and other papers & forms requisite for incorporation (on behalf of the company), and to do all such acts, deeds and things requisite in this behalf and that the Common Seal of the company be affixed wherever necessary under the signatures of Mr. P S Murty, Associate Vice President of the company.”

for SEW Infrastructure Limited



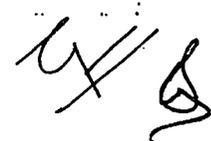
S Anil Kumar
Director



Regd Office:

6-3-671, 'Snehalata', Greenlands Road, Begumpet,
Hyderabad 500 016, A.P. India
Tel +91.40.663.000 00 Fax +91.40.663.000 01
www.sewinfrastucture.com

PAN No. AADC94061P
ISO 9001:2008, ISO 14001:2004, OSHAS 18001:2007 Certified



Print | Close window:

From : Bhaskara <cs@sewinfrastructure.com>
To : "Rakesh Jha" <rk1875@gmail.com>, <rakeshkumar.ca@sewinfrastructure.com>
Reply to : <cs@sewinfrastructure.com>
Subject : FW: Approval of SRN B26533828 dated 07-12-2011
Date : Sat, 24 Dec 2011 01:03:39 -0800

-----Original Message-----

From: noreply@mca.gov.in [mailto:noreply@mca.gov.in]
Sent: None
To: cs@sewinfra.com
Cc: cs.bhaskara@gmail.com
Subject: Approval of SRN B26533828 dated 07-12-2011

Dear Sir/Madam,

This is to inform you that the eform Form1A submitted on the MCA portal vide SRN B26533828 dated 07-12-2011 has been Approved. This is an acknowledgment for the same.

The Approved Company Name is SEW VIZAG COAL TERMINAL PRIVATE LIMITED.

In case of any further query or for all future communication of this request, please use your Service Request Number as the reference.

This is a MCA21 system generated mail for your information and necessary action. Please do not reply to this mail.

Notice: The information contained in this e-mail message and/or attachments to it may contain confidential or privileged information. If you are not the intended recipient, any dissemination, use, review, distribution, printing or copying of the information contained in this e-mail message and/or attachments to it are strictly prohibited. If you have received this communication in error, please notify us by reply e-mail or telephone and immediately and permanently delete the message and any attachments. Thank you



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SEW - PRSB Consortium

SVCTPL/ EQ-1A/2011/Engg/037

Date: 13-01-2012

To

The Secretary &
Attorney of the Board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref: Letter IENG/EE (Projects)/EQ-1A/Vol VI/81, dated 19.03.2011

We, SEW PRSB Consortium herewith furnish the documents as mentioned below with regard to the formation of the SPV i.e. M/s SEW Vizag Coal Terminal Private Limited.

- (a) Articles and Memorandum of Association
- (b) Incorporation Certificate
- (c) Name and description of Board Members of SPV;
- (d) Board Resolution passed in the board meeting of the SPV resolving, inter-alia, that SPV shall enter into a concession agreement with Board of Trustees for Visakhapatnam Port for taking up the Project;
- (e) Resolution passed at the board of SEW Infrastructure Limited and PRSB consenting for incorporating the SEW Vizag Coal Terminal Private Limited;
- (f) A certificate from a Chartered Accountant stating the shareholding pattern of the SPV; and
- (g) Legal Opinion as specified under Article 3.1(a)(ix) of the Draft Concession Agreement.

Thanking you & with regards,

For & on behalf of:
SEW - PRSB CONSORTIUM

AUTHORISED SIGNATORY

Encl: As above
Cc to Mr. Ramachandra Rao (Chief Engineer)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



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SEW - PRSB Consortium

In this regard, you are requested to treat this letter as acceptance from us to award the work accordingly.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM

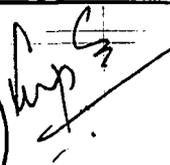


**P. ANUP KUMAR
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY**

Cc to Mr. Ramachandra Rao (Chief Engineer)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

Page 2 of 2



SEW - PRSB Consortium

SVCTPL/ EQ-1A/2011/Engg/039

Date: 21-01-2012

To

The Secretary &
 Attorney of the board,
 Visakhapatnam Port Trust,
 Visakhapatnam – 530 035

Dear Sir,

Sub: Development of East Quay – 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref: Letter No. IENG/EE (Projects)/EQ-1A/Vol.VI/81, dated 19-03-2011

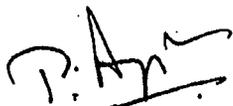
We, SEW PRSB Consortium herewith furnish the documents as mentioned below with regard to the formation of the SPV i.e. M/s SEW Vizag Coal Terminal Private Limited.

(a) Legal Opinion as specified under Article 3.1(a)(ix) of the Draft Concession Agreement.

Thanking you & with regards,

For & on behalf of:

SEW – PRSB CONSORTIUM

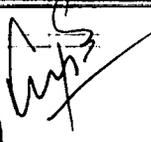


**P. ANUP KUMAR
 ASSOCIATE VICE PRESIDENT
 AUTHORISED SIGNATORY**

Encl: Aq above

Cc to Mr. Ramachandra Rao (Chief Engineer)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
 Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
 Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



21/1/2012

M. BHAGYASRI

B.com, L.L.B.,

Advocate of A.P. High Court
Standing Counsel for
Handi Crafts Development Corporation,
Andhra Pradesh, Hyderabad.

H.No: 10-15, Road No: 4, Gowtham Nagar,
Opp: Sri Sai Grammar High School,
Dilsukhnagar, Hyderabad- 500 060.
Cell: 9391130085, 8801164274

SECRETARY &
ATTORNEY OF THE BOARD

Visakhapatnam Port Trust,
Visakhapatnam-530035,
Andhra Pradesh, India.

20/01/2012

Kind Attention : Mr K. Ramachandra Rao, Chief Engineer

Dear Sir

I have acted as the legal counsel for SEW PRSB Consortium which have formed the SEW Vizag Coal Terminal Private Limited, for the purpose of implementing the project of "Development of East Quay- 1A (EQ-1A) Berth on south side of EQ-1 Berth in the inner Harbour of Visakhapatnam Port on Design Build, Finance, Operate and Transfer (DBFOT) basis."

Legal Opinion:-

The following documents are submitted by the SEW PRSB Consortium.

- 1) The RFQ, RFP and Draft Concession Agreement for the above project
- 2) Letter of Award no.IENG/EE (Projects)/EQ-1A/Vol.VI/81, Dt. 19-03-2011.
- 3) Certificate of Incorporation issued by Registrar of Companies, Andhra Pradesh.
- 4) MOA and AOA of SEW Vizag Coal Terminal Private Limited.
- 5) Resolution passed by SEW Infrastructure Limited for incorporating a subsidiary [Along with M/s Pembinaan Redzai Sdn. Berhad] in the name and style, 'SEW Vizag Coal Terminal Private Limited'
- 6) Resolution passed by Pembinaan Redzai Sdn. Berhad for incorporating a subsidiary [Along with M/s SEW Infrastructure Limited] in the name and style, 'SEW Vizag Coal Terminal Private Limited'
- 7) Certificate of Chartered Accountant regarding Authorized Share Capital and Subscribed Share Capital.



M. BHAGYASRI

ADVOCATE B.Com., LL.B.

HIGH COURT OF A.P.

H.No. 10-15, Road No. 4,
Near Sri Sai Grammar High School,
Gowtham Nagar, Dilsukhnagar, Hyderabad-60
Cell : 8801164274, 9391130085

Page 1 of 2

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- 8) Name and Description of Board Members of the SPV
- 9) A Certificate from Authorized representative of SEW-PRSB Consortium stating, inter-alia, that the SPV has been formed by M/s SEW Infrastructure Limited and Pembinaan Redzai Sdn. Berhad.

We have examined the above stated documents and our views are as under:

1. At the outset it is stated that the Consortium of SEW-PRSB had applied for the project and consequent to its qualification at RFQ stage and selection at RFP stage, the Consortium of SEW-PRSB has been awarded LOA for the development of the project.
2. Pursuant to the award of LOA, the Consortium has formed an SPV viz. SEW Vizag Coal Terminal Private Ltd for execution of the Project which is evident from the Certificate of Incorporation dated 11.01.2012, issued by the Registrar of Companies, Andhra Pradesh.
3. It is observed that the MOA and AOA documents bear the descriptions and signatures of Mr Pudipeddi Satya Murty (Associate Vice president) representative of Sew Infrastructure Limited and Mr Tan Sri Datuk Gnanalingam (Director) representative of Pembinaan Redzai Sdn. Berhad.

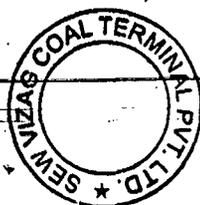
In view of the aforesaid documents and certificate submitted by the SEW-PRSB Consortium, it is observed that SPV has been formed by the Consortium of M/s SEW Infrastructure Limited – 74% and M/s Pembinaan Redzai Sdn. Berhad – 26%, which is in line with the provisions of the RFQ, RFP and Draft Concession Agreement. Hence, subject to the fulfillment of other requirements if any, SEW Vizag Coal Terminal Private Limited can enter into a concession agreement with the VPT.

Yours Sincerely,



M. BHAGYASRI
 ADVOCATE B.Com., LL.B.
 HIGH COURT OF A.P.
 H.No. 10-15, Road No. 4,
 Near Sri Sai Grammar High School,
 Gowthain Nagar, Dilsukhnagar, Hyderabad-60
 Cell : 8801164274, 9391130085

(M Bhagyasri)
 Advocate



Handwritten initials/signature

SEW - PRSB Consortium

TO WHOM SO EVER IT MAY CONCERN

This is to certify that M/s SEW Vizag Coal Terminal Private Limited (SVCTPL) has been formed and incorporated to undertake the development of East Quay – 1A (EQ-1A) Berth on South Side of EQ-1 Berth in the inner Harbor of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer basis. The purpose of incorporation of SVCTPL is clearly mentioned under main objects of Memorandum of Association of SVCTPL.

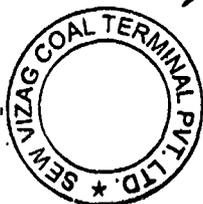
SVCTPL was incorporated by M/s SEW Infrastructure Limited (Lead member of SEW-PRSB Consortium) and M/s Pembinaan Redzai Sdn. Bhd. (Other member of SEW-PRSB Consortium).

The Current Shareholding pattern of SVCTPL is as below

Name of the shareholder	No. of equity of Rs.10/- each	%
M/s SEW Infrastructure Limited	37,000	74%
M/s Pembinaan Redzai Sdn. Bhd.	13,000	26%
TOTAL	50,000	100%

Page 1 - 2

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



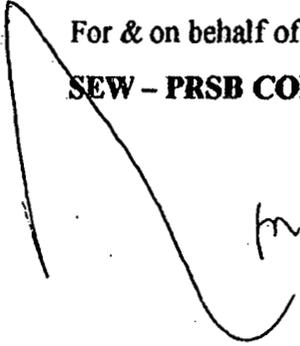
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SEW - PRSB Consortium

This is to further confirm that M/s SEW Infrastructure Limited and M/s Pembinaan Redzai Sdn. Bhd. will continue to maintain the shareholding in the SVCTPL as committed in the Bid Documents and as per the requirements of the Concession Agreement.

For & on behalf of :

SEW - PRSB CONSORTIUM



(LALIT ARORA)

VICE PRESIDENT

AUTHORIZED SIGNATORY

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



SEW - PRSB Consortium

SVCTPL/ EQ-1A/2011/Engg/040

Date: 24-01-2012

To

**The Secretary &
Attorney of the board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035**

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

Ref: Letter No.IENG/EE(projects)/EQ-1A/Vol.VI/81 Dated 19-03-2011

We, SEW PRSB Consortium herewith furnish the documents as mentioned below with regard to the formation of the SPV i.e. M/s SEW Vizag Coal Terminal Private Limited.

(a) Legal Opinion as specified under Article 3.1(a)(ix) of the Draft Concession Agreement.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM

AUTHORISED SIGNATORY

Encl: As above

Cc to Mr. Ramachandra Rao (Chief Engineer)

Mr. P. A. Rao
24/1/2012 at 2.30 PM
SEW PRSB CONSORTIUM
SEW VIZAG COAL TERMINAL PRIVATE LIMITED
VISAKHAPATNAM PORT TRUST

**9/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com**



Handwritten signature/initials

SEW - PRSB Consortium

SVCTPL/ EQ-1A/2011/Engg/041

Date: 25-01-2012

To

**The Secretary &
Attorney of the board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035**

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

We are herewith submitting draft concession agreement for the above said project for your kind approval at the earliest.

Thanking you & with regards;

For & on behalf of:

SEW - PRSB CONSORTIUM



AUTHORISED SIGNATORY

Encl: As above

Cc to Mr. Ramachandra Rao (Chief Engineer)

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



Handwritten signature and date: 25/1/2012
Stamp: SEW VIZAG COAL TERMINAL PVT LTD. VISAKHAPATNAM PORT TRUST
Handwritten initials: G

SEW - PRSB Consortium

SVCTPL/ EQ-1A/2012/Engg/042

Date: 27-01-2012

To

**The Chairman
Visakhapatnam Port Trust
Visakhapatnam – 530 035
Andhra Pradesh, India**

Dear Sir,

Sub:- Development of East Quay – 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

We are glad to inform you that we have submitted documents related to the formation of M/s SEW Vizag Coal Terminal Private Limited (SVCTPL) to undertake the above said project along with legal opinion.

Now that we have submitted the SPV particulars we intent to enter in to agreement with Visakhapatnam Port Trust by signing the concession agreement. The proposed date of signing is 3rd February 2012, we request you to give your consent on the said date.

Thanking you & with regards,

For & on behalf of:

SEW – PRSB CONSORTIUM



**P.ANUP KUMAR
ASSOCIATE VICE PRESIDENT
AUTHORISED SIGNATORY**

Cc to Secretary
Cc to Chief Engineer

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com



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27/1/2012
SECRETARY CLERK
OFFICE SECRETARY
SEW INFRASTRUCTURE LIMITED
HYDERABAD

SEW - PRSB Consortium

SVCTPL/ EQ-1A/2012/Engg/043

Date: 31-01-2012

To

The Secretary &
Attorney of the board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

We are herewith submitting certified true copy of Memorandum & Articles of Association of SEW Vizag Coal Terminal private Limited for the above said project for your kind approval at the earliest.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM



AUTHORISED SIGNATORY

Encl: As above

Cc to Chief Engineer

C/o. SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
Begumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com

RECEIPT CLERK
General Administration Department
VISAKHAPATNAM PORT TRUST





प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U45400AP2012PTC078503

2011 - 2012

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

SEW VIZAG COAL TERMINAL PRIVATE LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी प्राइवेट लिमिटेड है।

यह निगमन-पत्र आज दिनांक ग्यारह जनवरी दो हजार बारह को हैदराबाद में जारी किया जाता है।

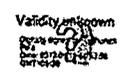
Form 1
Certificate of Incorporation

Corporate Identity Number : U45400AP2012PTC078503

2011 - 2012

I hereby certify that SEW VIZAG COAL TERMINAL PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is private limited.

Given at Hyderabad this Eleventh day of January Two Thousand Twelve.



Registrar of Companies, Andhra Pradesh

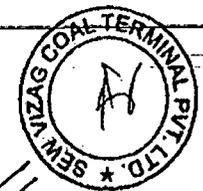
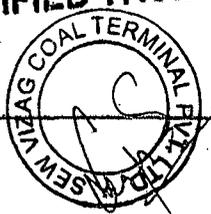
कम्पनी रजिस्ट्रार, आंध्र प्रदेश

*Note: The corresponding form has been approved by SHASHI RAJ DARA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006. The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
SEW VIZAG COAL TERMINAL PRIVATE LIMITED
6-3-871, 'Snehalata', Greenlands Road, Begumpet,
HYDERABAD - 500016,
Andhra Pradesh, INDIA



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UNDER THE COMPANIES ACT, 1956
(Act 1 of 1956)

COMPANY LIMITED BY SHARES

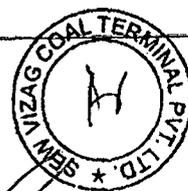
MEMORANDUM OF ASSOCIATION

OF

SEW Vizag Coal Terminal Private Limited

- I. The name of the company is SEW Vizag Coal Terminal Private Limited
- II. The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- III. The objects for which the Company is established are -
 - A. **THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE :**
 1. To undertake the development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis.
 - B. **THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS MENTIONED AT (A) ABOVE ARE :**
 1. To enter into any arrangement, agreement, contract, sub-contract with State Government, Central Government or any other Government authorities Companies, Corporations, Partnership Firms, Person or Persons, individual or Group of individuals in furtherance of Objects of the company.
 2. To purchase, take on lease or in exchange, for hire or otherwise acquire any immovable or movable property, any rights, privileges, licenses or easement which the company may think necessary or convenient with reference to any of these objects and capable of being profitably dealt with in connection with any of the company's property or rights for the time being and to pay for the same out of the funds of the company.
 3. To acquire, enter into agreement, enter into partnership or into any arrangement for sharing

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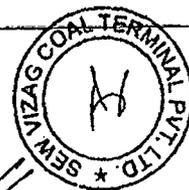
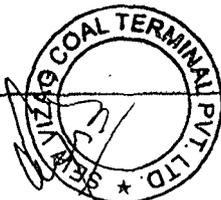


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profits, union of interests, co-operation, joint venture, reciprocal, concession or otherwise with any person or company carrying on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the company and to take or otherwise acquire shares and securities of any such companies and to sell, hold, with or without guarantee such shares or securities.

4. To deal with the surplus moneys of the company not immediately required in such manner as may from time to time be determined, and in particular to put money in lands, buildings, estates, plantations, mines, securities and other property, real and personal, movable and immovable, and generally to lend money on, or otherwise acquire mortgages, charges, bonds, obligations, loans, securities and all other instruments upon such terms and conditions as may seem expedient.
5. To sell or dispose of the whole or any part of the undertaking and property or any or all of the assets, whether tangible or intangible, of the company for cash or such other consideration as the company may think fit and in particular for shares, debentures or securities of any other company.
6. To lend surplus money with or without security generally to such persons and upon such terms and conditions as may seem expedient, and in particular to persons having dealings with the company or undertakings, and to build on or improve any property in which the company is interested.
7. To receive money on deposit at interest, or otherwise and to make, draw, accept, endorse, discount, execute and issue, deposit receipts, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable securities or instruments.
8. To borrow and raise money for the company's business in such manner as the company thinks fit and in particular by mortgage or charge of the undertaking and all or any of the assets, movable and immovable property and un-called capital for the time being of the company.
9. To issue shares, debentures, debenture stock, bonds, obligations, and securities of all kinds, and to frame, constitute and secure the same as may seem expedient, with full power and to make the same transferable by delivery or by instrument of transfer or otherwise, and either perpetual or terminable, and either redeemable or otherwise, and to charge or secure the same by trust deed or otherwise, on the undertaking of the company on upon any specified property and rights, present and future, of the company or otherwise howsoever.
10. From time to time, to subscribe or contribute to any charitable, benevolent or other objects of a public character, and also to political parties or for political purposes subject to the provisions of Section 293A and other applicable provisions if any, of the Companies Act, 1956.
11. To grant bonus, allowances gratuities, pensions and to provide any other amenities to the employees, ex-employees of the company and / or other dependents and to support or subscribe to any charitable bodies and institution, societies or charitable or benevolent funds and to support and subscribe to any national or public object and any institutions which may be for the benefit of the company or its employees or may be connected with any town or place where the company carries business and to contribute to provident and benefit funds for the benefit of any person employed.
12. To accumulate capital, reserves, or create any depreciation funds, reserve fund, sinking fund or

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any special or other fund for any purposes of the company, for repairing, improving, extending or maintaining any of the properties of the company or for repayment of debentures of redeemable preference shares.

13. Subject to provisions of the Companies Act, 1956 and the rules framed thereunder and the directives issued by the RBI, as may be applicable, to borrow or raise money or to receive money on deposit at interest or otherwise in such manner as the company may think fit from members, Directors, Banks, Financial Institutions, and in particular by the issue of debenture perpetual or otherwise including debentures convertible into shares of this company and in security of such money so borrowed, raised or received to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the company, present or future, including uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase redeem or pay off any such securities.
14. To pay out of the funds of the company, all costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the company.
15. To sell and dispose of property, assets or undertaking of the company for any consideration including shares, debentures or securities of any other company having objects altogether, or in part similar to those of the company or otherwise.
16. To undertake and execute any Trusts which may seem beneficial to the company and to vest its property in such trust(s) which may seem to the company desirable either gratuitously or otherwise.
17. To apply for purchase or otherwise acquire any patent rights, copy rights, trade marks, formula, licenses, concessions and the like subject to or royalty or otherwise, conferring any exclusive or non-exclusive or limited rights to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem directly or indirectly to benefit the company and to use, exercise and develop or grant license in respect of or otherwise turn to account the property, rights or information so acquired.
18. To train or pay for training in India or abroad of the company's employees, Directors or others in the interest of the Company's business.
19. To send out to foreign countries, Directors, employees or any other persons for investigating possibilities of any business, trade or procuring and buying any machinery or establishing trade connections or in promoting the interest of the company and to pay all expenses incurred in this connection.
20. To open accounts with any individual, firm, company or bank and to pay into and to withdraw money from such accounts.
21. To establish branches, work spots, site offices for purposes of carrying out the objects of the company

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C. THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE :

1. To undertake and carry on the business of purchasing, selling, acting as agent for purchase, sale or letting on hire, and developing any type of infrastructure projects whether residential, commercial, industrial, rural or urban that may belong to company or to any other person and of whatever nature and, to deal in land or immovable properties of any description or nature on commission basis and for that purpose to make agreements to sell the land of the company or of anybody else in India or abroad.
2. To carry on the business either singly and solely or in partnership with others as builders constructors, engineers and contractors and to erect, construct, enlarge, acquire, maintain, carry out, improve, alter, control and manage any bridges fly-overs, dams, reservoirs, tunnels, water works, canals irrigation works, gas works, electric works and such other works and conveniences and for the purposes aforesaid to negotiate, bargain and enter into the agreements and to deal in the respect of the same with government, semi-government, local authorities and all other authorities, bodies or person as may be required or necessary in this connection.

IV. The liability of the members of the company is limited.

V. The Authorised Share capital of the Company shall be Rs 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 (Twenty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only), each with the power to increase or reduce the Share Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act, 1956 for the time being in force and regulations of the Company and to vary, modify or abrogate such rights.

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VI. We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names.

Sl. No.	Signature, Name, description, occupation and addresses of subscribers	No. of Equity Shares of Rs.10/- each	Name, address, descriptions and signature of witness
1.	<p>Sd/-</p> <p>M/s. SEW Infrastructure Limited (represented by its Associate Vice President) authorized by Board Resolution dated 29th September, 2011</p> <p>Registered Office :</p> <p>6-3-871, 'Snehalata', Greenlands Road, Begumpet, Hyderabad - 500 016</p> <p>Sd/-</p> <p>Name : Pudipeddi Satya Murty</p> <p>Father's Name : Late P Kameswara Rao</p> <p>B-504, Siddam Setty Towers, Jawahar Nagar, Chikkadapally, Hyderabad - 500 020</p> <p>DOB : 10.06.1955</p> <p>Occupation : Service</p>	<p>37,000</p> <p>(Thirty Seven Thousand only)</p>	<p>Sd/-</p> <p>Amara Bhaskara Rao s/o Amara Samba Siva Rao Add : 305, Aakrui Arcade, Czech Colony, Hyderabad - 500 018 DOB : 01.11.1981 Occupation : Company Secretary</p>

Place : Hyderabad

Date : 13.12.2011

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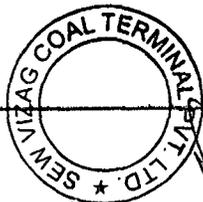


VI. We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names.

Sl. No.	Signature, Name, description, occupation and addresses of subscribers	No. of Equity Shares of Rs.10/- each	Name, address, descriptions and signature of witness
1.	<p style="text-align: center;">Sd/-</p> <p>M/s. SEW Infrastructure Limited (represented by its Associate Vice President) authorized by Board Resolution dated 29th September, 2011</p> <p style="text-align: center;">Registered Office :</p> <p style="text-align: center;">6-3-871, 'Snehalata', Greenlands Road, Begumpet, Hyderabad - 500 016</p> <p style="text-align: center;">Sd/-</p> <p>Name : Pudipeddi Satya Murty</p> <p>Father's Name : Late P Kameswara Rao</p> <p>B-504, Siddam Setty Towers, Jawahar Nagar, Chikkadapally, Hyderabad - 500 020</p> <p>DOB : 10.06.1955</p> <p>Occupation : Service</p>	<p style="text-align: center;">37,000</p> <p style="text-align: center;">(Thirty Seven Thousand only)</p>	<p style="text-align: center;">Sd/-</p> <p style="text-align: center;">Amara Bhaskara Rao s/o Amara Samba Siva Rao</p> <p style="text-align: center;">Add : 305, Aakruti Arcade, Czech Colony, Hyderabad - 500 018 DOB : 01.11.1981 Occupation : Company Secretary</p>

Place : Hyderabad
Date : 13.12.2011

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Sl. No.	Signature, Name, description, occupation and addresses of subscribers	No. of Equity Shares of Rs.10/- each	Name, address, descriptions and signature of witness
2.	<p>Sd/-</p> <p>M/s. Pembinaan Redzai Sdn Bhd (represented by its Director, Tan Sri Datuk Gnanalinga A/L Gunanath Lingam) authorized by Board Resolution dated 19 December 2011</p> <p>Registered Address : 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia</p> <p>Sd/-</p> <p>Name : Tan Sri Datuk Gnanalingam A/L Gunanath Lingam</p> <p>Address : 8, Dalam Tunku, Bukit Tunku, 50480 Kuala Lumpur, Malaysia.</p> <p>DOB : 10 September 1944</p> <p>Occupation : Company Director</p>	<p>13,000</p> <p>(Thirteen Thousand only)</p>	<p>Sd/-</p> <p>Hwee Kok Yoong Add : Westports Malaysia Sdn Bhd, 8th Floor, Tower Block, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia. DOB : 23 February 1972 Occupation : Senior Finance Manager, Projects</p>
	TOTAL	50,000 (Fifty Thousand only)	

Place : Selangor Darul Ehsan, Malaysia
Date : 20 December 2011

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INCORPORATED UNDER THE COMPANIES ACT, 1956

(1 OF 1956)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SEW Vizag Coal Terminal Private Limited

1. APPLICATION OF TABLE - A

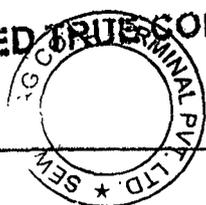
The regulations contained in Table 'A' of the First Schedule to Companies Act, 1956, so far as they are applicable to a private company, shall apply to this company save in so far as they are expressly or immediately excluded by the following Articles.

2. COMPANY TO BE PRIVATE

The company is a Private company within the meaning of Section 3(1)(iii) of the Companies Act, 1956, and accordingly :

- i) No invitation shall be issued to the public to subscribe for any shares in or debentures of the company.
- ii) The number of members of the company (exclusive of persons who are in employment of the company and persons who having been formerly in the employment of the company were members of the company while in employment and have continued to be the members after the employment ceased) shall be limited to fifty, provided that for the purpose of this article where two or more persons hold one or more share in the company, jointly they shall be treated as a single member.
- iii) The right of transfer shares of the company is restricted.
- iv) The minimum paid-up capital of the company would be Rs.1,00,000 (Rupees One Lakh)

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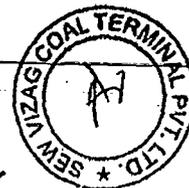


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3. The Authorised Capital of the company is Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only) each.
4. Where any shares of the company are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period the Board of Directors of the company shall be entitled to pay the interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restriction mentioned in sub-sections (2) to (7) of Section 208 of the Act, and charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or provisions of the plant.
5. The company shall have power to issue share warrants and/or other financial instruments, which may be converted into equity shares, at such price and as per such guidelines and other applicable rules and regulations.
6. **SHARES UNDER THE CONTROL OF DIRECTORS**
The issue of shares shall be under the control of Directors who may allot or otherwise dispose off the same to such persons and on such terms and conditions as they think fit.
7. **SHARES OTHER THAN FOR CASH**
The Directors may with the sanction of the company in general meeting issue shares other than for cash to the members or others in recognition of their services rendered for the promotion and working of the company.
8. **LIABILITY OF JOINT SHARE HOLDERS**
The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
9. **SHARES TO MINOR**
The company shall be entitled to register any shares in the name of any minor person if fully paid and allow the dividend thereof to be collected by or shares transferred by such minor shareholders.
10. **NOTICE OF CHANGE OF NAME**
No member who shall change his name shall be entitled to recover any dividend or to vote until notice of the change has been given to the company or order that the same be registered.
11. **SHARE CERTIFICATE**
The certificate of the title of shares shall be issued under the Seal of the company, in accordance with the Companies (Issue of Share Certificates) Rules, 1960.

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~~328~~**12. MEMBERS RIGHT TO CERTIFICATE**

Every member shall be entitled, free of charge, to one certificate for all the shares registered in his name. Every certificate of shares shall specify the member(s), distinctive numbers of the shares in respect of which it is issued, and the amount paid thereon. For any further certificates the Director shall be entitled to buy shall not be bound to prescribe or demand a charge of fee not exceeding one rupee per certificate. The company shall not be bound to issue more than one certificate in respect of the same share to joint holder.

13. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced, destroyed or lost or if there is no further space it maybe renewed or replaced on payment of such sum not exceeding one rupee as the Directors may from time to time prescribe provided however, that such new certificate shall not be granted except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation upon proof destruction or loss to the satisfaction of the Directors and on such indemnity as the Directors deem adequate in case of a certificate, having been destroyed or lost and any duplicate shall be marked as such.

14. CALLS

The Directors may, from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay amount of every call so made on him to the persons and at the time and place appointed by the Directors. A call may be deemed to have been made when the resolution of the Directors authorizing such call was passed.

15. NOTICE OF CALLS

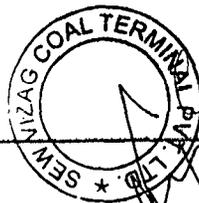
Atleast fourteen days notice of the calls shall be given specifying the time and place of payment and to whom such shall be paid.

16. DIRECTORS DISCRETION TO EXTEND THE TIME FIXED FOR PAYMENT

The Directors may from time to time at their discretion on extend the time fixed for the payment of any calls and may extend such time as to all or any of the shareholders.

17. WHEN INTEREST ON CALL OR INSTALLMENT PAYABLE

If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holders for the time being of the share in respect of which the call shall have been made or the instalment shall have been made or the instalment shall have been made or the instalment shall pay interest for the same at the rate of sixteen per cent per annum or at such lower rate as the Directors in the day appointed for the payment thereof to the time of actual payment and expenses that may have incurred by the company by reason of such non payment. The Directors may however in their

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absolute discretion forego payment of any interest and or expenses when in their opinion it is just and equitable to do so.

18. SUM PAYABLE AT FIXED TIME TO BE TREATED AS CALL

The provision of these articles as to payment of interest shall apply in the case of non payment of any sum which by the terms of the issue of the shares, become payable at a fixed time, whether on account of the nominal amount of the share or by virtue of a call duly made and notified.

19. EVIDENCE IN ACTION FOR CALL

On trials or hearing of any action or the recovery or any money due for any call, it shall be sufficient to prove that the name of the member is entered in Register as holder or one of the holders of the shares in respect of which such debt is accrued, that the resolution on making the call is duly recorded in the minutes book, and that the motive of such calls was duly given to the member used in these presents and it shall not be necessary to prove the appointment of the Directors who made such call, not any other matter whatsoever, but the proof of matter aforesaid shall be conclusive evidence of the debt.

20. PARTIAL PAYMENT NOT BE PRECLUDE FORFEITURE

Neither receipt by the company of any part of the money which shall from time to time be due from any member to the company in respect of his shares whether by way of principal or interest nor any indulgence granted by the company in respect of the payment of any such money shall preclude the company from thereafter proceedings to enforce a forfeiture of such shares as hereinafter provided.

21. TO SET OFF MONEY DUE TO SHARE HOLDER FROM THE COMPANY

Any money due from the company to a shareholder may without the consent of such shareholders, be applied by the company in or towards payment of any money due from him to the company for calls or otherwise.

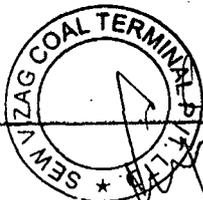
22. IF CALLS OR INSTALLMENT NOT PAID NOTICE MAY BE GIVEN

If any member fail to pay any call or installment on or before, the day appointed for the same, the Directors may at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on such member, requiring him to pay the same together with any interest that may be accrued and all expenses that may have been incurred by the company by reason of such non payment.

23. NOTICE

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of receipt of notice) and place or places, on and at which such call or installments or part thereof as the case may be and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the

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shares in respect of which the call was made or installment is payable will be liable to the forfeited.

24. **IF ANY NOTICE NOT COMPLIED WITH SHARES MAY BE FORFEITED**

If the requisitions of any such notice aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time, thereafter, before payment of all calls or installments or any part thereof, as the case may be and interest and expenses, due in respect thereof, be forfeited by a resolution of the Directors.

25. **NOTICE OF FORFEITURE**

When any such share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the register.

26. **FORFEITED SHARES BECOME PROPERTY OF COMPANY**

Any shares forfeited, shall be deemed to be the property of the company, and the Directors may sell, or otherwise dispose of the same in such manner as they think fit.

27. **ANNULMENT OF FORFEITURE**

Any shares forfeited, shall be deemed to be the property of the company, and the Directors may sell, or otherwise dispose of the same in such manner as they think fit.

28. **ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

Any member whose shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the company, all call installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon, from the time of the forfeiture until payment, at the rate of 6 % per annum and the Directors may enforce the payment of such money or any part thereof if they think fit but shall not be under obligation to do so.

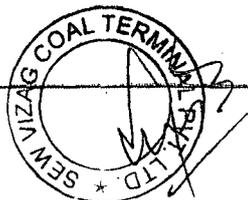
29. **LIEN**

The company shall have first and paramount lien upon all shares, not being fully paid up shares, registered in the name of each shareholder, for his debts and liabilities solely or jointly with any other person, and when any share is held by more persons than one the company shall have lien thereon in respect of the holders thereof.

30. **TRANSFER OF SHARES**

Share cannot be transferred except to a person agreed to, by a majority of the Board of Directors as being a fit and proper person to hold such shares. Subject to the provisions of Article 29 above, no share shall be transferred to

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any person so long as any person selected by the Directors is willing to purchase the same at its fair value as stated below.

31. REFUSAL TO REGISTER TRANSFER

Subject to the provisions of the article herein and more particularly subject to Article 29 mentioned above. The Directors may refuse to register the transfer of any share.

32. TRANSMISSION OF SHARES

a) The legal representatives or executors or administration of a deceased member (not being one of the several joint holders) shall be the only person recognized by the company as having any title to the share registered in the name of such member and in the case of the death of any one or more of the joint registered holders of any shares, the survivors shall be the only persons recognized by the company as having any title to or interest in such shares.

b) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which was jointly held by him with other persons.

c) Any person becoming entitled to the share in consequence of death of insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either (a) to be registered himself as a holder of the share, or (b) to make such transfer of the share, as the deceased or insolvent member could have made.

d) The Board shall in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.

33. INCREASE IN CAPITAL

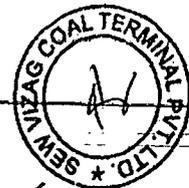
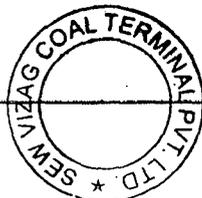
The company in general meeting may from time to time increase capital by issuing new shares of such amounts as may be determined in accordance with the provisions of the Companies Act, 1956, and the regulations of the company.

34. REDUCTION OF SHARE CAPITAL

Subject to the confirmation of the court, the company may from time to time by special resolution and in any manner authorised by law reduce its share capital, in any way and in particular without prejudice to the generality of the foregoing power by.

a) Extinguishing or reducing the liability on any of its shares in respect of share capital not paid up.

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b) Either with or without extinguishing or reducing liability on any of its shares, cancel and paid up share capital which is not or is unrepresented by available assets.

c) Either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is in excess of the wants of the company any may, so far as is necessary, alter its memorandum by reducing the amount of its share capital and if its shares accordingly.

35. **BORROWING POWERS**

The Directors may from time to time at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purpose of the company business and may secure the payment or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of the company (present and future) including its uncalled and unpaid capital.

36. **BONDS, DEBENTURES UNDER THE CONTROL OF DIRECTORS**

Subject to as aforesaid, any bonds, Debenture Stock or other securities issued by the company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such condition as they shall consider to be for the benefit of the company.

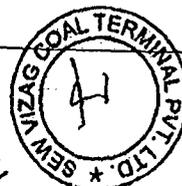
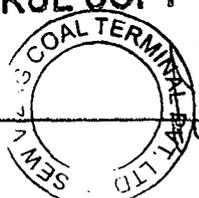
37. **INDEMNITY**

Subject to the provisions of Section 201 of the said Act and so far as such provisions permit, every Director, Manager, Secretary, Auditor and other officer or servant of the company shall be indemnified by the company against and it shall be the duty of the Directors to pay out of the funds of the company, all costs, losses and expenses which any such Director, Officer or servant may incur or become liable by reason of any contract entered into or act or thing done by him as Director, Officer or Servant or in any way in the discharge of his duties including traveling expenses and the amounts for which indemnity is provided shall immediately attach as lien on the property of the company and have priority as between the members of all other claims.

The company may indemnify any Director or officer of the company or any person employed by the company or auditor proceeding so far as they relate to the discharge of his duties whether Civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted by the court.

Subject to the provisions of Section 201 of the said Act, and so far as such provisions permit, no Director, Manager or other officer, the company shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer or joining in any receipt or other act for conformity, or any loss or expenses happening to the company through the insufficiency, or deficiency of title to any property acquired by order of the Director for any loss or

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damage arising from bankruptcy, insolvency of a tortuous act of any person with whom any moneys securities or effects shall be deposited or for any loss, damage or misfortune whatever shall happen in the execution of the duties of the office in relation thereto unless the same happens through his own dishonesty.

38. NOTICE OF GENERAL MEETING

a) A general meeting of the company may be held by giving not less than 7 days notice in writing and may be held with shorter notice as per the provisions of the Companies Act, 1956

b) Every notice of a meeting of the company shall specify the place, date and the hour of the General Meeting and the same need not contain an explanatory statement.

c) The accidental omission to give notice of a meeting to or non receipt of notice of meeting by any person entitled to receive notice shall not invalidate any resolution passed or proceedings at the meeting.

d) Every Annual General meeting shall be called on a day which is not a public holiday shall be held during the business hour at the Registered Office of the company or at any place in the city in which the Registered Office of the company is situated.

39. A member present in person or by proxy or attorney and being a holder of equity shares entitled to vote shall have one vote. On a poll, each member shall be entitled to vote proportionate to his holding of shares. In the case of joint holders the person whose name is first entered in the register of members only shall be entitled to vote and in his absence any of the joint holders in the order of entry in the Members Register, present shall vote.

40. NUMBER OF DIRECTORS

The company shall not have less than two and not more than twelve Directors, including special, technical, additional, nominated or debenture Directors, if any and all kinds of Directors on the Board.

41. FIRST DIRECTORS

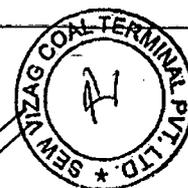
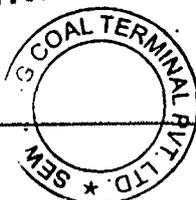
The following shall be the first Directors of the company.

1. Sunkara Anil Kumar
2. Pudipeddi Satya Murty

42. SHARE QUALIFICATION NOT APPLICABLE

Any person whether a member of the company or not may be appointed as a Director and no qualifications by way of share holding is required form any Director.

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43. **CO-OPTION OF DIRECTORS**

The Board shall have power to co-opt one or more persons to be Directors / Additional Directors, but so that the total number shall not exceed the statutory maximum. In the place of a Director who is about to leave or is absent from the state the Board may appoint any person to be an alternate Director, provided such absence shall not be for a period lesser than 3 months and such appointee while he holds office as an alternate Director shall be entitled to notice of meeting of the Directors and attend and to vote there at on all resolutions proposed in circulation but he shall ipsofacto vacate office as the Director returns to the state.

44. **DIRECTORS' SITTING FEES**

Each Director shall be paid out of the funds of the company as remuneration for his services such sum as may be determined by the Directors from time to time for every meeting of the Directors or committee thereof at which he shall be present in person.

45. **SPECIAL REMUNERATION TO DIRECTORS**

Subject to the provisions of the Section 314 of the Act, if any Director shall be appointed to advise the Board of Directors as an expert or be called upon to perform extra services or makes exertions for any purpose of the company, the Board of Directors, may pay such Director, such special remuneration as they think fit which remuneration may be in the form of either salary, commission or a lumpsum payment and may either be in addition or in substitution to the remuneration specified in the last preceding article.

46. **DIRECTORS TO HOLD OTHER OFFICE**

Subject to the provisions contained in Sections 299 and 314 of the said Act, a Director may hold any other office or place of profit under the company excepting that of an auditor upon such terms as to remuneration, tenure of office or otherwise as may be determined by the Board from time to time.

47. **GENERAL POWER OF COMPANY TO BE VESTED IN DIRECTORS**

The business of the company shall be managed by the Directors who may pay all expenses incurred in getting the company and may exercise all such powers of the company as are not required to be exercised in general meeting by the Companies Act, 1956, or any statutory modification thereof for the time being in force or by these articles, subject nevertheless to any regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the company in general meeting. But no regulations made by the company in general meeting shall invalidate any prior act of the Directors which have been valid if the regulations has been made.

48. **APPOINTMENT OF DIRECTOR FROM FINANCIAL INSTITUTION WHICH CONTRIBUTE TOWARDS SHARE CAPITAL**

If and when the company arranges to get substantial share capital of the company taken up by recognised financial or Industrial Development

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Corporation, and if in terms of agreement for such financial help the appointment of their representative is required, their representative shall accordingly be appointed as Director. The Directors so appointed shall not be liable to retirement by rotation and shall not be required to hold qualification shares.

49. **DIRECTOR FROM LENDING INSTITUTION**

If and when the company borrows money or secures guarantee from national or international financing bodies or corporations, brokers or Government or Semi-Government organisations and if in terms of the agreement with them relating to the borrowing of funds or for any other consideration or purpose to promote the subject of the company the appointment of their representatives as Directors of the company is required, their representatives shall accordingly be appointed as Directors. The Directors so appointed shall not be liable to retire by rotation and shall not be required to hold qualification shares. Such Directors shall also be taken into consideration for determining the strength of the Board.

50. **POWER OF MANAGING DIRECTOR, JOINT MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR**

The Board may from time to time appoint one or more of its members to the office of Managing Director, Whole time Directors on such terms and on such remuneration (whether by way of salary or by commission or partly in salary and partly in commission) as they think fit, but the appointment shall be subject to the determination ipso facto if he ceases for any cause to be a Director, or the company in General meeting resolve that the tenure of office of the Managing Director, Joint Managing Director, Whole-time Director be determined.

51. The Directors may from time to time entrust or confer upon the Managing Director, Whole time Director for the time being such of the powers exercisable by the Director as they may think fit, and they may confer such powers for such time and be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of Directors in that behalf and may from time to time withdraw, revoke, alter or vary all or any of such powers.

52. **RESTRICTIONS OF SECTION 293 NOT TO APPLY**

The restriction imposed on the company by Section 293 of the Companies Act, 1956, shall not apply to the Board which shall have the power subject to Section 292 of the Companies Act.

53. **MEETING OF DIRECTORS**

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meeting and proceedings, as they may think fit.

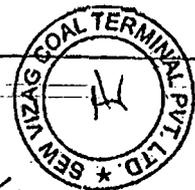
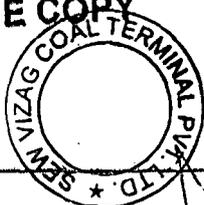
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54. **MEETING OF BOARD TO BE HELD ONCE IN THREE MONTHS**
Subject to Section 285 of the Companies Act, 1956, the meeting of the Board of Directors shall be held at least once in every three months.
55. **NOTICE OF MEETING**
Notice of every meeting of Board of Directors of the company shall be given in writing to every Director in India. In case of a Director who is not in India, notice shall be sent to his usual address in India.
56. **QUORUM FOR BOARD MEETINGS**
The quorum of meeting of the Board of Directors of the company shall be one-third of its total strength (and fraction in that one-third being rounded off as one) or two Directors whichever is higher.
57. The Chairman of the Board or Managing Director or any two Directors, may at any time convene a meeting of the Board of Directors.
58. **CHAIRMAN**
The Directors may from time to time elect one of their members as the Chairman of the Board of Directors and determine the period of which he is to hold office. If at any meeting of the Board of Directors the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their members to be Chairman of such meeting.
59. **POWERS OF BOARD IN MEETING**
A meeting of the Board of Directors for the time being at which quorum is present shall be competent to exercise all or any of the authorities, power and directions by or under the Articles of the company for the time being vested in or exercisable by the Directors.
60. **QUESTIONS HOW TO BE DECIDED AT BOARD MEETING**
Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case any equality of votes, Chairman shall have a second or casting vote.
61. **POWERS TO APPOINT COMMITTEES AND TO DELEGATE FUNCTIONS**
Subject to the provisions of Section 292 of the Act, the Directors may delegate any of their powers to a committee consisting of such number of their body as they think fit and may from time to time revoke such delegations. Any powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors. The meeting and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are suspended by any regulation made by the Directors under this clause. The remuneration of members of a committee so formed shall be from time to time fixed by the Directors.

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62. **WHEN ACTS OF DIRECTORS OF COMMITTEE VALID NOTWITHSTANDING DEFECTIVE APPOINTMENT, ETC.,**

All acts done at any meeting of the Directors by any person acting as Directors shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director.

63. **PASSING OF RESOLUTION BY CIRCULATION**

A resolution which has been circulated in draft together with which all the necessary papers, to all the Directors in India (not being less than the quorum fixed) and to all other Directors at their usual address in India and has been approved and signed by all the Directors in India or by a majority of them as one and effectual as it had been passed at a duly convened Board meeting.

64. **SEAL OF THE COMPANY**

The Directors shall provide a Common Seal of the company and every instrument for which the seal is affixed shall be signed by any one of the Directors or any person authorised by the Board of Directors.

65. **DEMATERIALISATION OF SECURITIES**

For the purpose of these Articles: -

'Beneficial Owner' means a Person or Persons whose name is recorded as such with a depository.

'Depository' means a company formed and registered under the Act, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992.

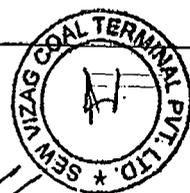
'Depositories Act' shall mean the Depositories Act 1996 and any statutory modification of re-enactment thereof.

66. The company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act and to rematerialize the securities held in Depositories.

67. Every Person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by Applicable Law, in respect of any security in the manner provided by the Depositories Act, and the company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.

68. If a person opts to hold his security with a Depository, the company shall intimate such Depository of the details of allotment of the security, and on

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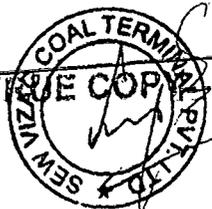
receipt of the information, the Depository, shall enter in its record the name of the allottee as the Beneficial Owner of the security.

- 69. All securities held by a Depository shall be dematerialized and be in fungible form.
- 70. (a) Notwithstanding anything to the contrary contained in the Act, the Depositories Act but subject to these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of any ownership of security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every Person, holding securities of the company and whose name is entered as the Beneficial Owner in records of the Depository shall be deemed to be a Member of the company. The Beneficial Owner of securities shall be entitled to all the rights, benefits, and be subject to all the liabilities in respect of his securities, which are held by a Depository.
- 71. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or discs.
- 72. Subject to the provisions of these Articles, nothing contained in Section 108 of the Act shall apply to a transfer of securities effected by a transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- 73. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- 74. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a Depository.
- 75. The register and index of Beneficial Owners of the securities issued by the company maintained by a Depository under the Depositories Act, shall be deemed to be the Register of Members and Index of Members and security holders for the purposes of these Articles.
- 76. **DISTRIBUTION OF ASSETS IN WINDING UP OF THE COMPANY**
In a winding up the liquidator may, with the sanction of special resolution, distribute all or and of the assets of the company in specie among the contribution in accordance with their respective right.

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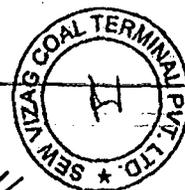
77. **SECRECY**

Every Director, Manager, Trustee, member of the committee, Officer, Agent, Accountant or other person employed in the business of the company shall if so required by the Directors, before entering upon his duties sign a declaration, pledge himself not to reveal any of the matters which come to his knowledge in the discharge of his duties except when required so to do by the Directors or by court of law and except so far as may necessarily be in order to comply with any of the provisions in these present contained.

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Sl. No.	Signature, Name, description, occupation and addresses of subscribers	Name, address, descriptions and signature of witness
1.	<p style="text-align: center;">Sd/-</p> <p>M/s. SEW Infrastructure Limited (represented by its Associate Vice President) authorized by Board Resolution dated 29th September, 2011</p> <p style="text-align: center;">Registered Office :</p> <p style="text-align: center;">6-3-871, 'Snehalata', Greenlands Road, Begumpet, Hyderabad - 500 016</p> <p style="text-align: center;">Sd/-</p> <p style="text-align: center;">Name : Pudipeddi Satya Murty</p> <p style="text-align: center;">Father's Name : Late P Kameswara Rao</p> <p style="text-align: center;">B-504, Siddam Setty Towers, Jawahar Nagar, Chikkadapally, Hyderabad - 500 020</p> <p style="text-align: center;">DOB : 10.06.1955</p> <p style="text-align: center;">Occupation : Service</p>	<p style="text-align: center;">Sd/-</p> <p style="text-align: center;">Amara Bhaskara Rao s/o Amara Samba Siva Rao</p> <p style="text-align: center;">Add : 305, Aakruti Arcade, Czech Colony, Hyderabad - 500 018 DOB : 01.11.1981 Occupation : Company Secretary</p>

Place : Hyderabad
Date : 13.12.2011

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Sl. No.	Signature, Name, description, occupation and addresses of subscribers	Name, address, descriptions and signature of witness
2.	<p style="text-align: center;">Sd/-</p> <p style="text-align: center;">M/s. Pembinaan Redzai Sdn Bhd (represented by its Director, Tan Sri Datuk Gnanalinga A/L Gunanath Lingam) authorized by Board Resolution dated 19 December 2011</p> <p style="text-align: center;">Registered Address : 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia</p> <p style="text-align: center;">Sd/-</p> <p>Name : Tan Sri Datuk Gnanalingam A/L Gunanath Lingam</p> <p>Address : 8, Dalam Tunku, Bukit Tunku, 50480 Kuala Lumpur, Malaysia.</p> <p>DOB : 10 September 1944</p> <p>Occupation : Company Director</p>	<p style="text-align: center;">Sd/-</p> <p style="text-align: center;">Hwee Kok Yoong Add : Westports Malaysia Sdn Bhd, 8th Floor, Tower Block, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia. DOB : 23 February 1972 Occupation : Senior Finance Manager, Projects</p>

Place : Selangor Darul Ehsan, Malaysia
Date : 20 December 2011

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SEW - PRSB Consortium

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SVCTPL/ EQ-1A/2012/Engg/044

Date: 01-02-2012

To

**The Secretary &
Attorney of the board,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035**

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) berth on south side of EQ-1 Berth for Handling Thermal coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis- Reg.

We are herewith submitting certified true copy of resolution of SEW Vizag Coal Terminal private Limited for the above said project for your kind approval at the earliest.

Thanking you & with regards,

For & on behalf of:

SEW - PRSB CONSORTIUM


AUTHORISED SIGNATORY

Encl: As above

Cc to Chief Engineer


RECEIVED CLERK
General Administration Department
VISAKHAPATNAM PORT TRUST

C/o SEW Infrastructure Limited, 6-3-871, 'Snehalata', Greenlands Road,
egumpet, HYDERABAD-500 016 (A.P), Tel: 040-23402153, 23403273, 55512157,
Fax: 040-23405016, E-Mail: mail@sewinfrastructure.com





50 Years
of Excellence

CERTIFIED COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF M/s. SEW INFRASTRUCTURE LIMITED HELD ON THURSDAY, THE 29TH DAY OF SEPTEMBER, 2011 AT HOTEL TAJ KRISHNA, ROAD NO. 1, BANJARA HILLS, HYDERABAD - 500 034

Floataion of Company

“RESOLVED THAT the consent of the Board of Directors of the company be and is hereby accorded for incorporating a Subsidiary [alongwith M/s. Pembinaan Redzai Sdn. Berhad] in the name and style, ‘SEW Vizag Coal Terminal Private Limited’ and making an initial investment of Rs. 3,70,000/- (being 37,000 Equity Shares of Rs.10/- each).”

“RESOLVED FURTHER THAT Mr. P S Murty, Associate Vice President of the company, be and is hereby authorized to sign the Memorandum of Association and Articles of Association (copies of which are placed before the Board and initialed by the Chairman for the purpose of identification) and other papers & forms requisite for incorporation (on behalf of the company), and to do all such acts, deeds and things requisite in this behalf and that the Common Seal of the company be affixed wherever necessary under the signatures of Mr. P S Murty, Associate Vice President of the company.”

for SEW Infrastructure Limited

skh S Anil Kumar
Director



skh
CERTIFIED TRUE COPY

Regd Office:
6-3-871, 'Snehalata', Greenlands Road, Begumpet,
Hyderabad 500 018, A.P India



CERTIFIED COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF M/s. SEW VIZAG COAL TERMINAL PRIVATE LIMITED HELD ON TUESDAY, THE 31st DAY OF JANUARY, 2012 AT THE REGISTERED OFFICE OF THE COMPANY AT 6-3-871, 'SNEHALATA', GREENLANDS ROAD, BEGUMPET, HYDERABAD - 500 016

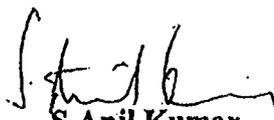
Authorization to execute Concession Agreement

“RESOLVED THAT in supersession of the resolutions passed by the Board on 13.01.2012 authorizing Mr. P S Murty (Director) and Mr. A P V N Sarma (Director) to execute the Concession Agreement on behalf of the company, the consent of the Board be and is hereby accorded for authorizing Mr. P S Murty (Director), Mr. A P V N Sarma (Director) and Mr. Devineni Sai Prasad (Authorized Representative) to severally execute the Concession Agreement on behalf of the company and to do all acts, deeds and things requisite in this behalf.”

“RESOLVED FURTHER THAT Mr. P S Murty (Director), Mr. A P V N Sarma (Director) and Mr. Devineni Sai Prasad (Authorized Representative) be and are hereby severally authorized to negotiate, hold discussions, transact, enter into and execute necessary Documents, Agreements etc., wherever and whenever required for successful implementation of the aforesaid Project.”

“RESOLVED FURTHER THAT the Common Seal of the company be affixed in the presence of Mr. P S Murty (Director) or Mr. A P V N Sarma (Director) or Mr. Devineni Sai Prasad (Authorized Representative).”

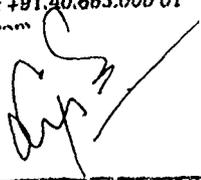
for SEW Vizag Coal Terminal Private Limited


S Anil Kumar
Director




CERTIFIED TRUE COPY

Regd Office:
6-3-871, 'Snehalata', Greenlands Road, Begumpet,
Hyderabad 500 016, A.P. India
Tel +91.40.663.000 00 Fax +91.40.663.000 01







SEW Vizag Coal Terminal Private Limited

346

Registered Office : 6-3-871, 'Snehalata', Greenlands Road, Begumpet, Hyderabad - 16

CERTIFIED COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF M/s. SEW VIZAG COAL TERMINAL PRIVATE LIMITED HELD ON FRIDAY, THE 13TH DAY OF JANUARY, 2012 AT THE REGISTERED OFFICE OF THE COMPANY AT 6-3-871, 'SNEHALATA', GREENLANDS ROAD, BEGUMPET, HYDERABAD - 500 016

Concession Agreement with Visakhapatnam Port Trust

"RESOLVED THAT the consent of the Board of Directors of the company be and is hereby accorded for taking up the Project viz. 'Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer basis'."

"RESOLVED FURTHER THAT a Concession Agreement be entered into with the 'Board of Trustees for Visakhapatnam Port' for taking up of the said Project."

"RESOLVED FURTHER THAT Mr. P S Murty (Director) and Mr. A P V N Sarma (Director) be and are hereby severally authorized to execute the said Concession Agreement on behalf of the company and to do all acts, deeds and things requisite in this behalf."

"RESOLVED FURTHER THAT Mr. P S Murty (Director) and Mr. A P V N Sarma (Director) be and are hereby severally authorized to negotiate, hold discussions, transact, enter into and execute necessary Documents, Agreements etc., wherever and whenever required for successful implementation of the aforesaid Project."

"RESOLVED FURTHER THAT the Common Seal of the company be affixed in the presence of Mr. P S Murty (Director) or Mr. A P V N Sarma (Director)."

for SEW Vizag Coal Terminal Private Limited



S Anil Kumar
S Anil Kumar
Director



S Anil Kumar
CERTIFIED TRUE COPY

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STATEMENT SHOWING THE CORRESPONDENCE EXCHANGED BETWEEN

M/s. SEW-PRSB CONSORTIUM, HYDERABAD AND VPT.

INCOMING LETTERS

- 1). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/223 Dt. 11.07.2011
- 2). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/ Dt. 05.08.2011
- 3). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/GCB/PT-V/260 Dt. 23.09.2011
- 4). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/IND ENG/EQ-1A/2011 Dt. 04.10.2011
- 5). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/273 Dt. 17.10.2011
- 6). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/2011 Dt. 21.10.2011
- 7). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/289 Dt. 11.11.2011
- 8). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/ Dt. 15.11.2011
- 9). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VI/321 Dt. 21.12.2011
- 10). VISAKHAPATNAM PORT TRUST/ENGG DEPT Ltr No. IENG/EE (Projects)/EQ-1A/VOL.VII/2012/13 Dt. 13.01.2012



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BY REGD POST WITH ACK DUE**VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT**

ISO 9001 PORT
 ISO14000 PORT
 OHSAS 18001 PORT

No. IENG/EE(Projects)/EQ-1A/Vol. VI/223,
 Dt. 11/8/2011.

To,
 M/s. SEW-PRSB Consortium,
 6-3-871, Snehalatha,
 Greenlands Road,
 Begumpet,
 HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
 Berth in the Inner Harbour of Visakhapatnam Port on Design,
 Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.
 Ref: B.G NO .1303911BG0000101 Dt. 17-01-2011 for Rs.3,13,40,000/-
 submitted towards bid security.

The B.G NO . 1303911BG0000101 Dt. 17-01-2011 for Rs.3,13,40,000/-
 submitted by you in connection with the subject Project towards Bid Security
 will be expired by 16-08 -2011.

Therefore, it is requested to arrange to extend the validity of the said BG
 for a further period of four (4) months from 17-08 -2011.

Top priority may please be given to this issue.

Yours faithfully,

CHIEF ENGINEER

BY REGD POST WITH ACK DUE

Copy to: The Manager, STATE BANK OF INDIA CORPORATE ACCOUNTS
 GROUP BRANCH, PANJAGUTTA MAIN ROAD, HYDERABAD-500082 for
 information and it is requested to arrange to remit the proceeds to
 FA&CAO/VPT immediately, if the firm, M/s SEW-PRSB
 Consortium, does not extend the validity of the above BG for a
 further period as requested above.

PLEASE TREAT THIS AS OUR VALID CLAIM.



Team Copy
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VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

 ISO 9001 PORT
 ISO14000 PORT
 OHSAS 18001 PORT

 No. IENG/EE(Projects)/EQ-1A/Vol. VI/
 Dt. 05-08-2011.

✓ To,
 M/s. SEW-PRSB Consortium,
 6-3-871, Snehalatha,
 Greenlands Road, Begumpet,
HYDERABAD - 500 016

ATTN: Sri P. Anup-Kumar, Associate Vice President

Fax : 040 - 2340 5016

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
 Berth in the inner Harbour of Visakhapatnam Port on Design
 Build, Finance, Operate and Transfer (DBFOT) basis - Reg.
 Ref: Your lr No. SVPTL/EQ-1A/2011/Engg/008, Dt. 29-7-2011.

Please refer to your letter cited.

As requested, the Chairman has accorded permission to M/s. SEW-PRSB Consortium, Hyderabad to mobilize the Marine equipment for carrying out the marine based soil investigation at EQ-1A berth for which gate passes were issued for development of the Project. The working is subject to the terms and conditions of port. Kindly ensure that there is no disruption to port Traffic and all Safety regulations are compiled.

Yours faithfully,

[Signature]
 CHIEF ENGINEER

5/8/11

Copy to : T. M. for information.

Copy to : D.C. for information.

Copy to: AE (Projects) for information and necessary action.



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VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT



ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001 PORT

No. IENG/EE(Projects)/GCB/Pt-V/250
Dt. 23 -09-2011.

To
M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha'
Greenland Road,
Begumpet,
Hyderabad - 500 016.

040-6630000
FAX.No.040-23405016 ✓

Sir,

- Sub:1) Mechanization of coal handling facilities and up-gradation of General Cargo Berth (GCB) at Outer Harbour of Visakhapatnam Port to cater 2,00,000 DWT Vessels on DBFOT Basis - Reg.
- 2) 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 Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis - Reg.
- 3) Development of East Quay 1A (EQ 1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

It is proposed to hold a meeting in connection with comprehensive planning aspects correlated with the railway networking, which involves the facilities pertaining to all the three operators contributing to the overall development of the East Yard area, M/s. VGCBPL (Concessionaire for GCB Mechanization Project), M/s. Mundara Port (Concessionaire for EQ-1 Project) and M/s. SEW-PRSB (Concessionaire for EQ-1A Project), duly obtaining and synchronizing their proposed planning activities and in line with the existing ground realities, duly requiring realignment of certain facilities, such as Ware House -A, Ware House -B, Old Cement Godown, Petrol Bunk etc.,

In this regard, Chairman desires to hold a meeting on the subject issue in V.P.T.'s Board Room on 30-09-2011 @ 11.00 A.M.

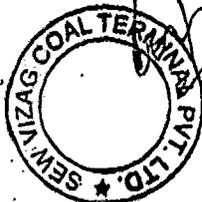
Therefore, it is requested to attend the above meeting.

Yours faithfully,


CHIEF ENGINEER

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA

FAX: 0891-2565023; Grams: "PORTRUST" E-mail: info@vizagport.com



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VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT



ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001 PORT

No. IENG/EE (Proj)/IND ENG/ EQ-1A/2011
Dt. 04 -10-2011.

To
M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road, Begumpet,
HYDERABAD - 500 016

ATTN: Sri P. Anup Kumar, Associate Vice President
Fax : 040 - 23405016

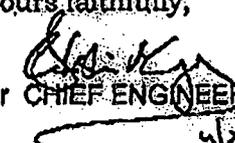
Sir,

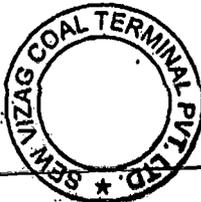
Sub: Independent Engineer for Providing Engineering Consultancy Services in respect of "Development of East Quay -1A (EQ-1A) berth on south side of EQ-1 berth for handling thermal coal and steam coal in the Inner harbour of Visakhapatnam Port on 'DBFOT' basis" - Reg.
As per article 5.1 of MCA, VPT has invited RFO for Independent Engineer for Providing Engineering Consultancy Services in respect Of "Development of East Quay -1A (EQ-1A) berth on south side of EQ-1 berth for handling thermal coal and steam coal in the Inner harbour of Visakhapatnam Port on 'DBFOT' basis" and based on the technical and financial qualifications the following 2 firms were short listed by VPT.

- 1) TATA Projects Limited., Quality Services Division, 2nd Floor, Varun Towers, 1, Begum pet, HYDERABAD - 500 016.
FAX NO. 6631 8806
- 2) M/s. Scott Wilson India Pvt Ltd., A-26/4, Mohan Cooperative Industrial Estate, Mathura Road New Delhi - 110 044, INDIA.
FAX NO. +91-11-4167 9350

In this regard, it is requested to please convey your concurrence to the above list of applicants by return fax, so as to open the financial proposals (cover-II) of the above mentioned applicants and to proceed further. The proposed date of opening of cover -II is 10-10-2011.

Yours faithfully,


For CHIEF ENGINEER







VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

URGENT

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No. IENG/EE (Projects)/EO-1A/Vol. VI/273
Dt. 17-10-2011

To,
M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road, Begumpet,
HYDERABAD - 500 016.

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax: 040 - 2340 5016

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EO-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis" - Reg.

Ref: 1) Your Ir No. SEW/PRSB/F EQ-1A/2010/RS, Dt. 22-07-2011

Please refer to your letter cited.

In this regard VPT is of the following opinion:

As per the draft concession agreement vide clause no.2.3 of RFP, the bidder acknowledges that it was pre-qualified and short listed on the basis both of technical capacity and also the financial capacity and Cl. 2.3.2 of RFP further goes to say that the consortium members shall until the second anniversary of the date of commercial operations hold equity share capital representing not less than 26 % of the subscribed and paid up equity of the concessionaire and 5% of the total cost prescribed in the Concession Agreement and the clause goes on to say that the aforesaid shall be the minimum and shall be in addition to such other obligations as may be contained.

The clause also says that the default of the same is deemed to be a breach of the Concession Agreement and in such a situation action can be taken under Concession Agreement treating it as a breach.

Therefore, it is an essential requirement that till the second anniversary of the commercial operation in the project the equity share holding mandated under Cl. 2.3.1 is maintained. It is initially SEW Infrastructure Ltd. and PRSB Consortium that submitted the bid and in terms of the request for proposal the Consortium should have consisted of SEW Infrastructure Ltd, and PRSB but however, now it is mentioned that SEW Transportation Networks Ltd., is a wholly owned subsidiary of SEW Infrastructure Ltd., and brought in as the consortium partner.

Strictly going by the terms of the concession agreement it is obvious that SEW Infrastructure Ltd. desires to go out of the picture and bring in its place SEW transportation Net work Ltd. It is worth to mention that SEW Infrastructure Ltd., is the lead member.



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It is clear that SEW Infrastructure Ltd., which is a lead member, while submitting the bid had indicated that they will be forming an SPV with PRSB and has now come up with a request that the SPV is formed by the SEW Transportation Net work which is said to be a subsidiary of SEW Infrastructure Ltd., and the language of Cl.2.3.1 of RFP is very clear that for two years of the commencement of commercial operations the share holding should be maintained as mentioned at the time of bid and any departure there from is considered a breach.

Prima-facie it looks that not with standing the status of a wholly owned subsidiary via-a-vis the holding company, the fact remains that in terms of the bid it is only SEW Infrastructure Ltd., that has to form an SPV with the consortium of PRSB.

SEW Infrastructure Ltd., is therefore requested to submit in writing the reasons why they want a change in the consortium and why SPV with SEW Transportation Net Work Ltd was formed when the LOA was given to SEW PRSB Consortium Ltd., instead of SEW Infrastructure Ltd., WITH PRSB. Your reply may reach this office by 31-10-2011.

TOP PRIORITY may please be given to this issue.

Yours faithfully,


SECRETARY 19/10

&
ATTORNEY OF THE BOARD



URGENT

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No. IENG/EE(Projects)/EQ-1A/Vol. VI/2011,
Dt. 21 -10-2011.

To,
M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha ,
Greenlands Road, Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax : 040 - 2340 5016

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

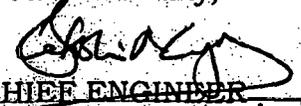
Ref: 1) Your lr No.SVPTL/EQ-1A/2011/Engg/026, DT .10-10-2011.

Please refer to your letter cited. In this connection the complete profiles(i.e submittals)of the following short listed companies are sent herewith as desired ,with a request to expedite your remarks on or before 05-11-2011 to take further action, failing which, it shall be deemed that there are no objections from your side & VPT shall take further necessary action accordingly.

1. M/s Scott Wilson India Pvt Ltd.
2. M/s TATA Projects Ltd.

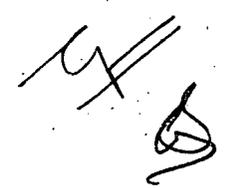
Please note that the date of opening the financial proposals on the subject work is scheduled on 15-11-2011 in which you may remain present if you so desire.

Yours faithfully,


For CHIEF ENGINEER

Encl: As above.







VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

No. IENG/EE (Projects)/EQ-1A/Vol. VI/288

Dt. 11-11-2011

355

To,
M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road, Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sri Lalit Arora,
Sr. General Manager (Tech) / Associated Vice President
Fax: 040 - 2340 5016 / 0891-6646211

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

- Ref: 1) Your Lr No. SEW/PRSB/F.EQ-1A/2010/RS, Dt. 22-07-2011.
2) VPT's Lr. No.IENG/EE (Projects)/EQ-1A/Vol. VI/273 dt.17-10-11.
3) Your Lr. No. SVPTL/EQ-1A/2011/Engg. Dt.22-10-2011.

Please refer to the correspondence cited and the meeting held on 21-10-2011, in connection with your request for change in respect of the formation of SPV by M/s SEW Transportation Networks Ltd., and PRSB, instead of M/s SEW Infrastructure Ltd., and PRSB, originally envisaged during submission of the bid. The same has been examined by VPT and in this regard, VPT is of the following opinion:

As per the draft concession agreement vide clause no.2.3 of RFP, the bidder acknowledges that it was pre-qualified and short listed on the basis both of technical capacity and also the financial capacity and Cl. 2.3.2 of RFP states that the consortium members shall until the second anniversary of the date of commercial operations hold equity share capital representing not less than 26 %of the subscribed and paid up equity of the concessionaire and 5% of the total cost prescribed in the Concession Agreement and the clause states that the aforesaid shall be the minimum and shall be in addition to such other obligations as may be contained.

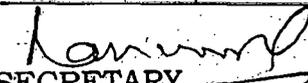
Therefore, it is an essential requirement that till the second anniversary of the commercial operation in the project the equity share holding mandated under Cl. 2.3.1 is maintained. It is initially SEW Infrastructure Ltd., and PSRB Consortium that submitted the bid and in terms of the request for proposal the Consortium should have consisted on SEW Infrastructure Ltd, and PRSB.

Hence, in terms of the bid submitted, SEW Infrastructure Ltd., has to form an SPV with the consortium of PRSB, as per the provisions of the Concession Agreement for the subject project as envisaged above and your request for the change is not acceptable,

SEW Infrastructure Ltd., is therefore requested to form SPV as per the provisions of the bid documents and as per the submittals made by them during the process of RFP submission, without any deviation, at the earliest, and accordingly complete the process of entering into Concession Agreement, without any further delay.

TOP PRIORITY may please be given to this issue.

Yours faithfully,


SECRETARY

&

ATTORNEY OF THE BOARD



VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

No. IENG/EE (Projects)/EQ-1A/Pl. VI/81 Dt. 15-11-2011

M/s. SEW-PRSB Consortium
6-3-87, Snehalatha,
Greenlands Road, Begumpet,
HYDRABAD - 500 016

Attention: Sri P. Amin Kumar
Associate Vice President

Fax: 040 - 2340 5016 / 0891-6646211

Dear Sir,

Sub: Development of East Quay - 1A (EQ-1A) Berth on South side of EQ-1 Berth in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFO) basis. Reg.

- 1. VPT's LOA No. IENG/EE (Projects)/EQ-1A/Pl. VI/81 Dt. 19-3-2011
- 2. VPT's Lr. No. IENG/EE (Projects)/EQ-1A/Pl. VI, dt. 04-10-11
- 3. VPT's Lr. No. IENG/EE (Projects)/EQ-1A/Pl. VI, dt. 21-10-11
- 4. VPT's Lr. No. SVPH/EQ-1A/2011/Eagg./029, Dt. 21-10-2011
- 5. Meeting held at VPT on 30-9-2011
- 6. VPT's Lr. No. IENG/EE (Projects)/EQ-1A/Pl. VI, dt. 11-11-2011.

Please refer to the references cited.

In this regard please recall the discussions had during the meeting with VPT on 30-9-2011, in connection with the comprehensive layout planning aspects correlated with the railway networking which involves the facilities/layout to be developed by the three operators i.e., M/s SVGBPL (Concessionaire for GCB Mechanization Project), M/s Mandra Port (Concessionaire for EQ-1 Project) and M/s SEW-PRSB (Concessionaire for EQ-1A Project), where in a consensus was arrived at, broadly with regard to the layout, and other planning aspects keeping in view the following aspects:

- 6) Respective layouts need to be executed by the concerned Concessionaires at their own cost including the necessary arrangements such as signalling, electrification, other rail operations, etc., for which the required/specific proposals shall be submitted by the respective Concessionaires for the approval of VPT and any other relevant Competent Authority, as required such as TAMP, etc. where in VPT will extend all the necessary support such as recommending the same to the concerned authorities such as TAMP, etc., based on the recommendation of the respective independent Engineers, as per the provisions of the respective Concession Agreement.
- 7) Necessary land to suit these railway layouts may be allocated to the three Concessionaires for the projects - GCB, EQ-1 and EQ-1A individually, in terms of the provisions of the respective Concession Agreement, so as to enable them to develop the railway system as



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above up to the end connection with VPT main line, if so required by them based on the report.

8) It may also be seen from the drawing enclosed that the Concessionaires propose to have a railway track for a full length of a rake and which may be nearer to the VPT's R&D yard and thereafter the rakes of the Concessionaire have to move on the VPT railway line. Under these circumstances, all the applicable tariff for the usage of VPT railway lines is also applicable to the Concessionaire.

9) In the process of finalization of the railway layout for the purpose of DPR by the Concessionaire, the relevant provisions of the Concession Agreement shall be applicable, which shall be common to all the three Concessionaires, as per the provisions of the relevant Concession Agreements of the respective Concessionaires.

10) The other queries/points raised during discussion have been tabulated vide Annexure-1 enclosed duly indicating the response/clarifications from VPT, for reference which shall form a part of the respective Concession Agreement.

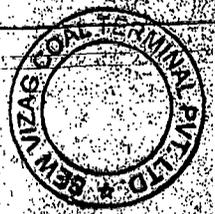
Please find herewith enclosed the copy of the drawing indicating the extent of land proposed to be allotted to the three Concessionaires, for conducting the joint survey by the respective Concessionaires, for finalising the layout and to submit the written consent to the above at the earliest, so as to take further necessary action please.

Yours faithfully,

[Signature]
Chief Engineer

Enc. As above.

Website: www.rail.nic.in | Phone: 011-230-035 | Address: New Delhi, India



[Handwritten marks]



VISAKHAPATNAM PORT TRUST

No. IENG/EE (Projects)/EQ-1A/Vol. VI/321,
Dt. 21-12-2011.

22

To,
 M/s. SEW-PRSB Consortium,
 6-3-871, Snehalatha,
 Greenlands Road, Begumpet,
HYDERABAD - 500 016

ATTN: Sri P.V. Raghavendra Rao / Sr. General Manager (Tech)
Sri Lalit Arora/ AVP/Sri P.Anup Kumar/A V P
Fax 040 - 2340 5016/ 0891-6646211

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth in the Inner Harbour of Visakhapatnam Port on Design,
Build, Finance, Operate and Transfer (DBFOT) basis"- Reg.

- Ref: 1) VPT's LOA No.IENG/EE (Projects)/EQ-1A/Vol. VI/81 Dt.19-3-11.
 2) Your lr no SEW/PRSB/F.EQ-1A/2010/RS, Dt.22-07-2011
 3) VPT's Lr. No. IENG/EE (Projects)/EQ-1A/Vol.VI/273,d.17-10-11.
 4) Your lr No. SVPTL/BOT/EQ-1A/2011/Engg, Dt. 22-10-2011.
 5) VPT's Lr. No. IENG/EE (Projects)/EQ-1A/Vol.VI/289,d.11-11-11.
 6) Your lr No. SVPTL/BOT/EQ-1A/2011/034, Dt. 18-11-2011.

Please refer to the letters cited.

The matter has been examined and it is to inform that,

M/s SEW Infrastructure Ltd., and PRSB Consortium shall adhere to the provisions of the RFP, DCA, etc., and as per the submittals made by the SEW Infrastructure Ltd and PRSB Consortium for the subject project without any deviation, at the earliest, for consideration of VPT and accordingly to complete the process of entering into Concession Agreement without any further delay.

TOP PRIORITY may please be given to this issue and action taken by you in this regard may please be appraised to the Port.

Kindly acknowledge the receipt of this letter.

Yours faithfully,

[Signature]
SECRETARY
 &
ATTORNEY OF THE BOARD

[Handwritten signature]



[Handwritten initials]

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No. IENG/EE(Projects)/EQ-1A/Vol. VII/2012/13,
Dt. 2-01-2012.

To,
M/s. SEW-PRSB Consortium,
6-3-871, Snehalatha,
Greenlands Road, Begumpet,
HYDERABAD - 500 016

Fax : 040 - 2340 5016

ATTN: Sri P. Anup Kumar, Associate Vice President

Dear Sir,

Sub: Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1
Berth for handling Thermal Coal in the Inner Harbour of Visakhapatnam Port on
Design, Build, Finance, Operate and Transfer (DBFOT) basis - Reg.
Ref: Your Ir No. SVPTL/EQ-1A/2011/Engg/031 DT: 11-11-2011.

Please refer the letter cited.

Subsequent upon the concurrence obtained from you vide letter cited in connection with the acceptance to the 2 Nos of applicants for the subject work i.e M/S. TATA Projects Limited, M/s. Scott Wilson India Private Limited and to open their price bids, it is to inform that the RFP for Independent Engineer for Providing Engineering Consultancy Services for the work of "Development of East Quay-1A (EQ-1A) Berth on South side of EQ-1 Berth for handling Thermal Coal in the Inner Harbour of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer (DBFOT) basis" was opened on 15-11-2011 and the following two technically qualified firms have taken part in the bid.

1. M/s. Scott Wilson India Private Limited, New Delhi.
2. M/s. TATA PROJECTS LIMITED, HYD.

The following is the financial status of bidders as per Form 2 of Appendix II of financial proposal of RFP submitted by the applicants:

S/no	Name of the Applicants	Financial proposal (A+B) + S T "G"	Total cost of the consultancy Amount + Addl costs (H) (Rupees)	Remarks
1	M/S. TATA PROJECTS	Rs. 2,17,82,805/-	Rs. 2,20,15,805/-	Second lowest
2	M/s. Scott Wilson India Limited	Rs. 1,71,40,620/-	Rs. 1,79,40,620/-	First lowest



Handwritten signature/initials

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From the above, it is observed that the amount of Rs. Rs. 1,71,40,620/- (Rupees one crore seventy one lakhs forty thousand six hundred and twenty only) quoted by M/s. Scott Wilson India Pvt Ltd., New Delhi is the lowest (L-1).

The reimbursement of expenses towards "H" i.e. additional costs shall be limited to the amounts indicated above and as quoted by the tenderer i.e. Rs. 8.00 Lakhs in respect of L-1 tenderer, M/s. Scott Wilson India Pvt Ltd., New Delhi.

Hence, the VPT is in the process to accept the lowest tender of M/s. Scott Wilson India Private Limited, New Delhi for Rs. 1,71,40,620/- (excluding the cost specified in item H of Financial Proposal which has to be paid separately), which is found reasonable.

As per para 5.1 (c) Article 5 of Concession Agreement to be entered in to between Board of Trustees for Visakhapatnam Port (The Concessionsing Authority) and M/s SEW-PRSB CONSORTIUM (The Concessionaire), the costs and expenses of the Independent Engineer shall be borne by the Concessionsing Authority and Concessionaire equally. According to which, out of the total amount quoted by M/s. Scott Wilson India Private Limited i.e the L-1 tenderer, the concessionaire, M/s SEW-PRSB CONSORTIUM has to bear half of the amount of the total amount quoted for the subject work i.e. Rs. 1,71,40,620/- (inclusive of taxes) + "H" i.e additional costs Rs. 8,00,000/- as per the provisions of concession agreement for the subject project.

Therefore, it is requested to furnish your consent in terms of the provisions of concession agreement as mentioned above to bear half of the cost specified in items 'G' & 'H' of financial proposal quoted by the L-1 tenderer, M/s. Scott Wilson India Pvt Ltd., in connection with providing Independent Engineer Services for the subject work i.e. Rs. 85,70,310/- (Rupees Eighty five lakhs seventy thousand three hundred and ten only) inclusive of taxes and Rs. 4.00 lakhs (Rupees Four lakhs only) respectively, so as to award the work accordingly. Kindly treat this matter as urgent.

Yours faithfully,


SECRETARY &
ATTORNEY OF THE BOARD

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Sl. No.	Signature, Name, description, occupation and addresses of subscribers	No. of Equity Shares of Rs.10/- each	Name, address, descriptions and signature of witness
2.	<p style="text-align: center;">Sd/-</p> <p>M/s. Pembinaan Redzai Sdn Bhd (represented by its Director, Tan Sri Datuk Gnanalinga A/L Gunanath Lingam) authorized by Board Resolution dated 19 December 2011</p> <p>Registered Address : 62C, Jalan SS21/62, Damansara Utama, 47400 • Petaling Jaya, Selangor Darul Ehsan, Malaysia</p> <p style="text-align: center;">Sd/-</p> <p>Name : Tan Sri Datuk Gnanalingam A/L Gunanath Lingam</p> <p>Address : 8, Dalam Tunku, Bukit Tunku, 50480 Kuala Lumpur, Malaysia.</p> <p>DOB : 10 September 1944</p> <p>Occupation : Company Director</p>	<p style="text-align: center;">13,000</p> <p style="text-align: center;">(Thirteen Thousand only)</p>	<p style="text-align: center;">Sd/-</p> <p style="text-align: center;">Hwee Kok Yoong</p> <p>Add : Westports Malaysia Sdn Bhd, 8th Floor, Tower Block, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia DOB : 23 February 1972 Occupation : Senior Finance Manager, Projects</p>
	TOTAL	50,000 (Fifty Thousand only)	

Place : Selangor Darul Ehsan, Malaysia
Date : 20 December 2011

CERTIFIED TRUE COPY

