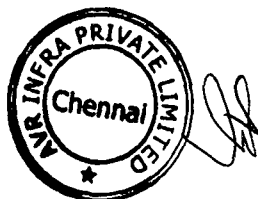
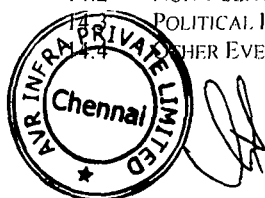


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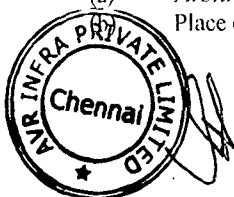
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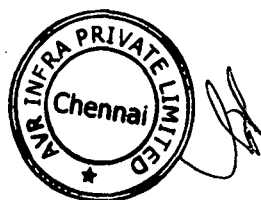
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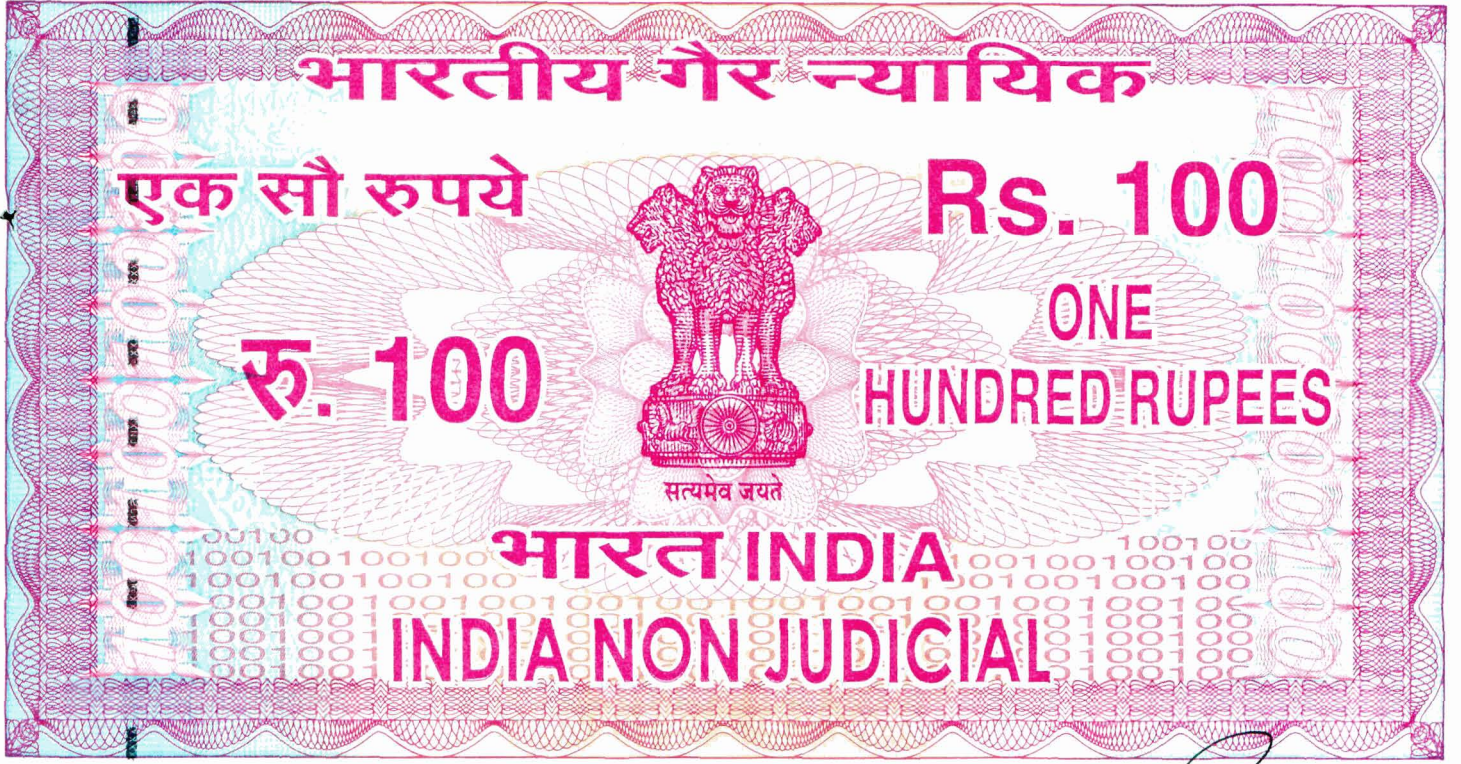


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ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH
8144 09/08/2010 Rs 100/-

* AVR Infra private limited, vsp.
Rep A. Mallesh Rao S/o late Koteswar Rao, vsp.

AA 135210

S. RAMA RAO
STAMP VENDOR
S. L. No. 2/2008
VISAKHAPATNAM

CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT is made at Visakhapatnam, Andhra Pradesh on this 16th day of AUGUST 2010.

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-530035, Andhra Pradesh hereinafter referred to as "**the Concessioneing Authority**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

AND

2. **AVR INFRA PRIVATE LIMITED**, a company registered under the Companies Act, 1956, and having its registered office at "Neeladri", III Floor, 9, Cenotaph Road, Alwarpet, Chennai - 600018 hereinafter referred to as "**the Concessionaire**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns).

For AVR Infra Private Limited,



Authorised Signatory

Dy. Chairman / उपध्यक्ष
विशाखपट्टनम पोर्ट ट्रस्ट
Visakhapatnam Port Trust

WHEREAS:

- (A) The Concessioneing Authority is desirous of implementing a Project (as defined hereinafter) for planning, engineering, designing, construction, development, finance, operation & maintenance of EQ-10 berth in the northern arm of inner harbour of Visakhapatnam port for handling liquid cargo like caustic soda lye, edible oil, class B & C chemicals and other liquid cargo (excluding POL Products) on DBFOT basis through private sector participation;
- (B) In or about November 2007, 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 22nd Dec 2007 submitted by the Applicant / Consortium in accordance with the Request for Qualification;
- (D) The Concessioneing Authority, after evaluating all the applications, shortlisted 3 (Three) 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;
- (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 1st March 2010
- (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.



For AVR Infra Private Limited,

Authorised Signatory

Dy. Chairman / उपप्रमुख
विशाखपट्टनम पोर्ट ट्रस्ट
Visakhapatnam Port Trust

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: -

“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 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 IMC Limited, "Neeladri", IIIrd Floor, 9, Centopath Road, Alwarpet, Chennai-600018.

"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-10 berth utilize the same channel including Outer Turning Basin, Inner Channel, Inner Turning Basin and Northern Arm of Port Waterways.

"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 084809IGFIN 0010 dated 22-09-2009 (Issued by Andhra Bank, Mount Road, Chennai) furnished by the Applicant / Consortium along with its Bid.

"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 Concessioning Authority, and (ii) the moveable assets including cargo handling equipment belonging to the Concessionaire, which the Concessioning 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.

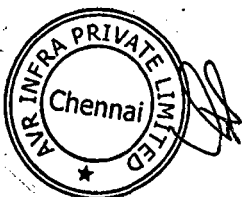
"Change of Scope" shall have the meaning assigned to it under Article 6.8(a).

"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 Concessioning 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.

"Concessioning Authority Event of Default" shall have the meaning as set out under Article 15.1(b).



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"Concessionaire Event of Default" shall have the meaning as set out under Article 15.1 (a).

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

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

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

"Consortium" means the consortium consisting of (i) IMC Limited and (ii) ITD Cementation India Limited formed, to implement the Project.

"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.

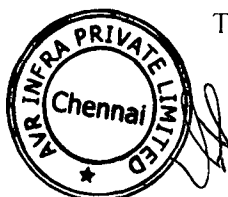
"Date of Award of Concession" means the date when the Conditions Precedent have either been satisfied or waived by the Party other than the Party responsible for satisfying the same.

"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



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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.

“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.

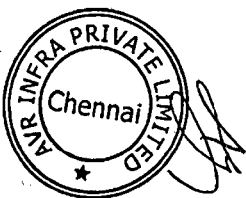
“Escrow Account” shall have the meaning assigned to it under Article 9.5.

“Escrow Agreement” means the agreement to be executed *inter alia* between the Concessionaire, the Concessioneing Authority and the Lenders/Lenders representative substantially in the format set out in Appendix 16 hereto.

“Estimated Project Cost” means the sum of Rs. 55,38,00,000 (Rupees fifty five crores thirty eight lakhs 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)



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"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(a)(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 Concessioneing 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.



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"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).

"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).

"Liquid Cargo" include caustic soda, edible oils, bio-diesel, Class B&C Chemicals and other chemicals/liquid cargo (excluding POL)

"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)

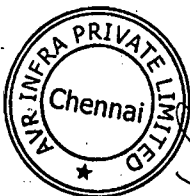
"Month" means the calendar month as per the Gregorian calendar.

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

"Non Political Events" 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.



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"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.

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

"Political Event" means the Force Majeure Events set out in Article 14.3.

"Port's Assets" means the assets set out in Appendix 2, belonging to the Concessioneing Authority.

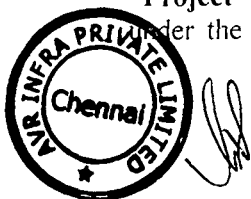
"Port Limits" means the boundary of Visakhapatnam Port, it is the waterfront area bounded by the coordinates 17°45'00"N / 83°21'08.5"E, 17°45'00"N / 83°30'21.24"E, 17°34'5.02"N / 83°21'54.51"E, 17°38'34.83"N / 83°15'38.25"E and notified vide Gazette Notification No. 254, dated June 03, 2003 and as amended, 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 1.84 million tonnes of liquid 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.

"Project Facilities and Services" means the facilities and services as set out under the Project Requirements, to be provided by the Concessionaire during the



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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).

“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.

“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 20.07.2009 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 November 2007 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 Date” means the date on which the Project is expected to be completed by the Concessionaire as per the implementation schedule



set forth in Appendix 5.

"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 Concessionaire and the Lenders.

"Supporting Project Infrastructure" means:

- (a) 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 (-) 11.8m. and planned to be deepened to (-)13.50m & (-)16.10m in phases in future as per the deepening plans of the Concessioneing Authority.
- (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 Concessioneing Authority as supporting infrastructure provided/to be provided for the Project.

"SBI BASE RATE" 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.

"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.*

"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. 21 dated 24.02.2009 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 hereof.

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

"The Port" means Port of Visakhapatnam.



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“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.

1.2 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” means Dead Weight Tonnage.

“FEM” means Federation of Equipment Manufacturers.

“IS” means Indian Standard.

“ISO” means International Organization for Standardization.

“IEC” means International Electro Technical Commission.

“km” means Kilometre, the unit of length.

“m” means Metre, the unit of length.

“mm” means Millimetre, the unit of length.

“MT” means Metric Tonne, the unit of weight.

“MoEF” means *Ministry of Environment and Forests*.

“OISD” means Oil Industry Safety Directorate.

“VAT” means Value Added Tax.



1.3 Interpretations

This Agreement constitutes the entire understanding between the Parties regarding the Project and supersedes all previous written and / or oral representations and / or arrangements regarding the Project. If there is any aspect of the Project not covered by any of the provisions of this Agreement, then and only in that event, reference may be made by the Parties to the bid documents, *inter alia* including the RFP and RFQ documents, issued by the Concessioneing Authority and also including addendums, clarifications given in writing in the pre-bid meetings and the submissions of the Concessionaire and the bid submitted by the Concessionaire but not otherwise. In case of any contradictions in the terms of this Agreement and any such other bid documents as referred to above, the terms of this Agreement shall prevail.

In this Agreement unless the context otherwise requires:

- (a) any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- (b) the words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organisations or other entities (whether or not having a separate legal entity);
- (c) the table of contents and any headings in this Agreement are for ease of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) the words "include" and "including" are to be construed without limitation;
- (e) references to "construction" include investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction;
- (f) any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- (g) any reference to day shall mean a reference to a calendar day;
- (h) any reference to month shall mean a reference to a calendar month;
- (i) "Recital", "Article" and "Appendix" shall refer, except where the context otherwise requires, to Articles of and any Appendix to this Agreement. The Appendices to this Agreement shall form an integral part and parcel of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- (j) any reference at any time to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended,



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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 construed in this Agreement, shall be construed as per the definition given in General Clauses Act, 1897 failing which it shall bear the ordinary English meaning.

1.4 Measurements and Arithmetic Conventions

All measurements and calculations shall be in metric system and calculations done to 2 decimal places, with the third digit of 5 or above being rounded up and below 5 being rounded down.

1.5 Ambiguities and Discrepancies

In case of ambiguities or discrepancies within this Agreement, the following shall apply:

- (a) between two Articles of this Agreement, the provisions of specific Articles relevant to the issue under consideration shall prevail over those in other Articles;
- (b) between the dimension scaled from the Design and Drawings and its specific written dimension, the latter shall prevail;
- (c) between any value written in numerals and that in words, the latter shall prevail; and
- (d) between the provisions of this Agreement and any other documents forming part of this Agreement, the former shall prevail.



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ARTICLE 2

CONCESSION AND PORT ASSETS

2.1 Concession

In consideration of the Concessionaire agreeing to pay to the Concessioneing Authority (a) the License Fee and (b) Royalty, and performing its obligations as set out in this Agreement, the Concessioneing Authority hereby grants to the Concessionaire, subject to the provisions of this Agreement, an exclusive license for designing, engineering, financing, constructing, equipping, operating, maintaining, replacing the Project/ 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 Concessioneing 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.

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,



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occupy and use the Project Site and Port's Assets for the purpose of implementing the Project and provision of Project Facilities and Services pursuant thereto in accordance with this Agreement.

- (b) The Concessionaire shall at its costs, charges and expenses make such development and improvements in the Project Site and Port's Assets as may be necessary or appropriate for implementing the Project and providing Project Facilities and Services, in accordance with the Agreement, Applicable Laws and Applicable Permits.

2.5 Use of Port's Assets

The Concessionaire shall not without the prior written consent or approval of the Concessioneing Authority use the Project Site and the Port's Assets for any purpose other than for the purposes of the Project /the Project Facilities and Services and purposes incidental thereto as permitted under this Agreement or as may otherwise be approved by the Concessioneing Authority.

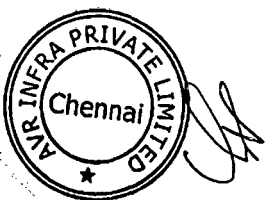
2.6 Information about Project Site and Port's Assets

The information about the Project Site and Port's Assets as set out in Appendix 1 and Appendix 2 respectively is provided by the Concessioneing Authority in good faith and with due regard to the matters for which such information is required by the Concessionaire. The Concessioneing Authority agrees to provide to the Concessionaire, upon a reasonable request, any further information relating to the Project Site and Port Assets, which the Concessioneing Authority may now possess or may hereafter come to possess, as may be relevant to the implementation of the Project. Subject to this, the Concessioneing Authority makes no representation and gives no warranty to the Concessionaire in respect of the condition of the Port Assets or the Project Site.

2.7 Acceptance of the Port's 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 Concessioneing Authority warrants that the Concessionaire shall, subject to complying with the terms and conditions of this Agreement, remain in occupation of the Project Site and Port's Assets during the Concession Period. 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 Concessioneing Authority shall, if called upon by the Concessionaire, defend such claims and proceedings.



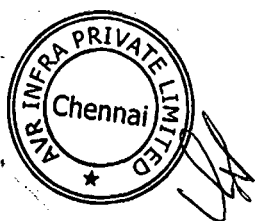
ARTICLE 3

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) Not Applicable
 - (vi) Furnishing a certificate from its principal officer / director on the shareholding pattern of the Concessionaire;
 - (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 Concessioneing 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 Concessioneing



Authority to enter into this Agreement with the Concessionaire and has agreed to and unconditionally accepted the terms and conditions set forth in this Agreement;

- (ix) Furnishing to the Concessioneing Authority a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability hereof; and
- (x) Obtaining all 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 Concessioneing Authority as per the "Standard Operating Procedure" of Integrity Pact in Major Government Departments / Organisations formulated by the Central Vigilance Commission / Government of India.
- (xii) For part utilization of EQ-9 berth by the Concessionaire of the EQ-10 Berth to facilitate the handling of Liquid Cargo Vessels more than 120.0m LOA, or for part utilization of EQ-10 berth by the existing BOT Operator of EQ-9 berth to facilitate handling of larger size vessels, the Concessionaire shall enter into an agreement /MOU with the existing BOT Operator of EQ-9 berth duly taking into consideration the following aspects:
 - a) The number of calls of the vessels in a year expected at the EQ-9 / EQ-10 berths requiring additional berth length beyond EQ-10 / EQ-9 shall be 20 per year. This can be frozen by both the BOT Operators upon mutual consultation and agreement.
 - b) Compensation for not being able to operate the berth of the affected party during the period when a longer vessel is berthed as mentioned above shall be as per the rates fixed by TAMP or any other regulatory authority or any other agency appointed by Government of India from time to time during the currency of the License period for the relevant facilities / services as applicable.

The working arrangements between the BOT Operator of EQ-9 berth and the Concessionaire of EQ-10 berth during the construction as well as during operation shall be worked out by mutual discussion to ensure that either party does not face any difficulty during the tenure of the License period.

- (b) The following Conditions Precedent shall be satisfied by the Concessioneing Authority:
 - (i) procurement of the clearances required for the Project, as set out in Appendix 8;
 - (ii) handing over physical possession of the Project Site and / or the Port's Assets for the purposes of the Project;

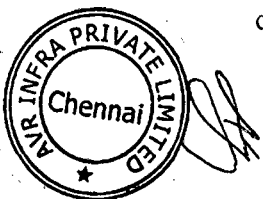
3.2 The aforesaid Conditions Precedent shall be complied with within 90 (ninety) Days of the date of the Agreement. Each Party shall promptly inform the other Party in writing when the Conditions Precedent for which it is responsible have



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been satisfied.

- 3.3 Any of the Conditions Precedent set forth in Articles 3.1(a) may be waived fully or partially by the Concessioneing Authority at any time in its sole discretion or the Concessioneing Authority may grant additional time for compliance with these conditions and the Concessionaire shall be bound to ensure compliance within such additional time as may be specified by the Concessioneing Authority. Any of the Conditions Precedent set forth in Articles 3.1 (b) may be waived fully or partially by the Concessionaire at any time in its sole discretion.
- 3.4 If the Concessionaire has fulfilled all the Conditions Precedent under Article 3.1(a) including the furnishing of the Performance Guarantee and has not waived or extended the time under Clause 3.3 above, and if the Concessioneing Authority has failed to 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 this 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 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 Concessionaire is still not in a position to comply with the Conditions Precedent, then this Agreement shall be liable to be terminated as provided for in Clause 3.6 below;
- 3.6 In the event that the Conditions Precedents are not complied with within the time (including the extended time, if any) in terms of the aforesaid Articles 3.2 to 3.5, this Agreement shall be liable to be terminated. If such termination is on account of failure of the Concessionaire to comply with the Conditions Precedent, 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.

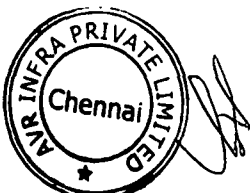


ARTICLE 4

PERFORMANCE GUARANTEE

4.1 Performance Guarantee

The Concessionaire shall for due performance of its obligations during the Construction Phase provide to the Concessioneing Authority an unconditional and irrevocable bank guarantee, in favour of the Concessioneing 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 Concessioneing Authority (the "**Performance Guarantee**"). The Performance Guarantee shall be for a sum of Rs.27,690,000 (Rupees twenty seven million six hundred ninety thousand only). Till such time the Concessionaire provides to Concessioneing Authority the Performance Guarantee pursuant hereto, the Bid Security shall remain in full force and effect. The Performance Guarantee, if in the form of a bank guarantee shall be valid for an initial period of 1 (one) year and shall be renewed 30 (thirty) Days prior to expiry of each year, for an additional term of 1 (one) year. It is clarified that the Concessionaire shall be liable to restore the Performance Guarantee to the full amount in case of part encashment of the same by the Concessioneing Authority. This shall be done within 30 (thirty) Days of any such part encashment. The Performance Guarantee, if in the form of a letter of credit shall be irrevocable and replenished from time to time such that an amount of Rs. 27,690,000 (Rupees twenty seven million six hundred ninety thousand only) is available in immediate cash to the Concessioneing Authority for the entire period of the Construction Phase. The Performance Guarantee furnished under this provision shall be valid until expiry of 6 (six) months from the 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 Concessioneing Authority to forthwith terminate this Agreement and also if relevant, to forfeit the Bid Security.

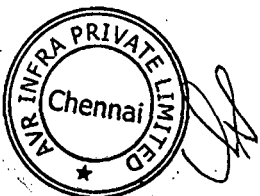


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ARTICLE 5
INDEPENDENT ENGINEER

5.1 Independent Engineer

- (a) The Independent Engineer shall be selected through a tender process. The Concessioneing 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 Concessioneing 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 Concessioneing Authority does not receive any objection from the Concessionaire with reasons therefore, the Concessioneing 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 Concessioneing Authority and Persons against whom such objections are raised will at the discretion of the Concessioneing 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 Concessioneing Authority and Concessionaire, equally.
- (d) If the Concessioneing Authority either on its own or on a report of the Concessionaire has reason to believe that the Independent Engineer is not discharging its duties in a fair, appropriate and diligent manner, the Concessioneing Authority may after giving the Independent Engineer due opportunity of being heard, terminate the appointment of the Independent Engineer and appoint another firm in its place in accordance with the preceding clause (a) above.
- (e) If either Party disputes any advice, instruction or decision of the Independent Engineer, the dispute shall be resolved in accordance with the dispute resolution procedure set out in Article 19.



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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 Concessioneing 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 Concessioneing 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 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.



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- (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.

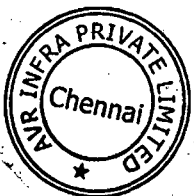
6.3 Construction Phase

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 18 (Eighteen) 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 within 7 (seven) Days of any material modification or change to any of the Financing Documents and / or any Equity Documents and shall simultaneously therewith also furnish copies of such modified/ amended documents to the 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



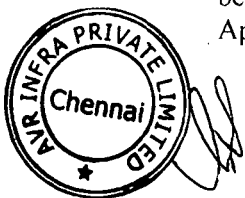
provided on Financial Close, without the prior written consent of the Concessioneing Authority. For avoidance of doubt any such modifications / amendments made without the prior written consent of the Concessioneing Authority will not be enforceable against the Concessioneing Authority;

- (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 Concessioneing 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 Concessioneing Authority of any works shall not, in relation to such works, (i) amount to any consent or approval by the Concessioneing Authority nor shall the same be deemed to be waiver of any of the rights of the Concessioneing Authority under this Agreement; and (ii) release or discharge the Concessionaire from its obligations or liabilities under this Agreement in respect of such work;
- (f) provide monthly reports on the progress of Construction Works or such other relevant information as may be required by the Independent Engineer;
- (g) promptly carry out at its cost such further works as may be necessary to remove any defects or deficiencies observed by the Independent Engineer and ensure timely completion of construction of the Project / the Project Facilities and Services in all respects in accordance with the provisions of this Agreement; and
- (h) to ensure safe and timely construction and completion of the Project / Project Facilities and Services, the Concessionaire may, at its cost, interrupt and divert / create barriers on the flow of water or on the road or port traffic, adjacent to the Project Site if such interruption and diversion is imperative for the efficient progress of Construction Works and conforms to Good Industry Practice; provided that such interruption and diversion shall be undertaken by the Concessionaire only with the prior written approval of the Independent Engineer which approval shall not be unreasonably withheld. For the avoidance of doubt, it is agreed that the Concessionaire shall at all times be responsible for ensuring safe operation of Construction Works and shall remove the interruption or diversion within the period specified by the Independent Engineer.

6.5 Obligations of the Concessioneing Authority

In addition to any of its other obligations under this Agreement, during the Construction Phase, the Concessioneing Authority shall:

- (a) in matters falling within its authority, grant, the Applicable Permits, approvals and consents as may be required by the Concessionaire and on a best efforts basis assist the Concessionaire in obtaining all other Applicable Permits as may be required by the Concessionaire;

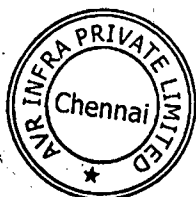


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- (b) make available all records of sub-soil investigations carried out on its behalf in the Port's Assets, if requested by the Concessionaire. It is clarified that the Concessionaire shall be solely responsible for determining the adequacy or otherwise 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 Concessioning 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 Concessioning 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 Concessioning Authority and thereupon represent to the Concessioning 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 Concessioning 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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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 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;
- (e) Without prejudice to the foregoing, if the Concessionaire shall have failed to complete any Construction Works on account of Force Majeure or for reasons solely attributable to the Concessioneing Authority, the Concessioneing Authority may, in its discretion, reduce the scope of Project and 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 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 resolve the differences and upon the final determination of the desired Change of Scope and its cost implication, the Concessioneing Authority may issue an order to implement the Change of Scope;



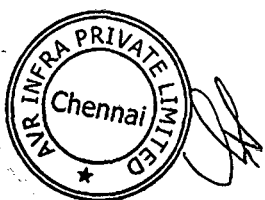
- (e) The provisions of this Agreement, insofar as they relate to Construction Works and Tests, shall apply mutatis mutandis to the works undertaken by the Concessionaire in respect of a Change of Scope;
- (f) Within 7 (seven) Days of an order for Change of Scope being issued, the Concessioneing Authority shall make an advance payment to the Concessionaire of a sum equal to 20% (twenty per cent) of the cost of Change of Scope as agreed hereunder. The Concessionaire shall, after commencement of work, present to the Concessioneing Authority bills for payment in respect of the works in progress or completed works, as the case may be, supported by such documentation as is reasonably sufficient for the Concessioneing Authority to determine the accuracy thereof. Within 30 (thirty) Days of receipt of such bills, the Concessioneing Authority shall disburse to the Concessionaire 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;
- (g) Notwithstanding anything to the contrary contained in this Article 6.8, the Concessioneing Authority may, after giving the Change of Scope Notice to the Concessionaire and considering its reply thereto, decide to seek competitive bids for carrying out the works envisaged in a Change of Scope; provided that the Concessionaire shall have the option of matching the first ranked bid in terms of the selection criteria, subject to payment of 2% (two per cent) of the bid amount to the Concessioneing Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if it has participated in the bidding process and its bid does not exceed the first ranked bid by more than 10% (ten percent) thereof; and
- (h) If during the pendency of the Agreement, the Concessionaire determines at any time that a Change of Scope is necessary for providing safer and 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 mutates-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 Concessioning Authority is likely to suffer and are not by way of a penalty. In case the aggregate delay exceeds 180 (one hundred and eighty) Days or the aggregate liquidated damages paid and/or payable under this provision exceeds the specified limit of 5% (five percent) of the Estimated Project Cost, the Concessioning Authority shall be entitled to terminate this Agreement and the consequences of termination as laid down in Article 16.5 shall follow. The Concessioning Authority may, at its discretion recover any amounts with respect to liquidated damages from the Performance Guarantee.



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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 Concessioneing 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 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



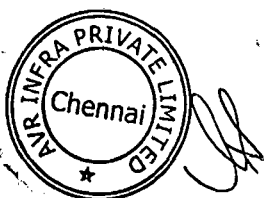
and Services on a first come - first serve, common-user basis, open to any and all shipping lines, importers, exporters, shippers, consignees and receivers, and refrain from indulging in any unfair or discriminatory practice against any user or potential user thereof;

- (i) ensure maintenance of proper and accurate record / data / accounts relating to operations of the Project Facilities and Services and the revenue earned there from;
- (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
- (l) 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 repair of structures and refurbishment of 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 Concessioneing 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 Concessioneing 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 Concessioneing 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 Concessioneing Authority may require from time to time. If so desired by the Concessioneing Authority, the Concessionaire shall provide the reports in prescribed formats and in electronic form so as to provide online access to the Concessioneing 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 Concessioneing Authority may specify from time to time.

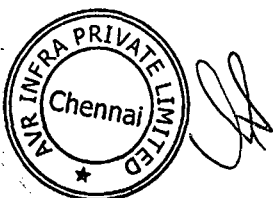
(x) Security Arrangements

The Concessionaire may make his own arrangements for security in the Project Site / Port Assets and with respect to the Project provided the Concessionaire shall abide by the security regulations / procedures prescribed by the Concessioneing Authority or a Government Authority from time to time. It shall also conform to and assist the Concessioneing Authority or any authority responsible therefore in conforming to the International Ship and Port Facility Security Code ("ISPS Code") and such other codes/requirements of International Maritime Organization as may be applicable to India from time to time.

(xi) Employment of Personnel

The Concessionaire shall employ qualified and skilled personnel required to operate the Project Facilities and Services. The terms of employment may be as deemed fit by the Concessionaire and the Concessionaire shall comply with all Applicable Laws and bear all costs in this regard. Without prejudice to the generality of this provision, all requisite approvals for employment of personnel of foreign origin or nationality shall be obtained by the Concessionaire prior to engaging such personnel. Failure to obtain approval will not amount to a Force Majeure Event. All employees shall always remain the Concessionaire's responsibility.

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



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(xii) **“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.

(xiii) **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 Concessioneing Authority, its officers, employees, agents and representatives (the **“Indemnitees”**) against all claims which may be asserted against or suffered and legal fees and costs incurred and which relate to any such goods, provided that notice of the Action received by the Indemnitee(s) shall be forwarded to the Concessionaire expeditiously and in any case within 7 (seven) Days of the receipt thereof by any of the Indemnitees. Provided further that the Indemnitees shall have the right but not the obligation, to contest, defend and litigate any Action by any third party alleged or asserted against any of such Indemnitees in respect of, resulting from, related to or arising out of any matter for which it is to be indemnified hereunder, and reasonable costs and expense there of 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.

(b) **Rights of the 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.



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(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.

(c) Obligations of the Concessioneing Authority

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

(i) Marine and Port Services

The Concessioneing Authority shall provide / cause to be provided, to the Concessionaire, the following services:

- (a) scheduling the entry, berthing and sailing of the vessels, pilotage and towage on a non-discriminatory basis subject to priority berthing norms and the sailing schedule as determined by the Deputy Conservator of the Port depending on individual ship characteristics and tidal conditions;
- (b) *maintenance of the entrance channel to inner harbour depth at (-)11.80 at present and (-) 13.50 m & (-) 16.10 m. in phases in future as per the deepening plans of the Concessioneing 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 (-)12.10 m initially, (-) 13.50 m & (-) 16.10 m. in phases in future as per the deepening plans of the Concessioneing Authority.*
- (e) *Maintenance of commensurated dredged depths at Turning Basin including access channels.*



- (f) carry out maintenance dredging operations, if any that may be required in terms of Clause 7.1(c)(i)(b), 7.1(c)(i)(d) and 7.1(c)(i)(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) 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
- (i) evolve mutually acceptable mechanism for sharing of common costs by existing and future terminal operators.

(ii) Approvals

The Concessioneing Authority shall promptly grant approvals / consents sought by the Concessionaire as required under this Agreement subject to the Concessionaire having complied with all Applicable Laws / requirements in this regard.

7.2 Utilities and Services

The Concessioneing Authority shall during the Concession Period provide access to the Concessionaire to all infrastructure facilities and utilities including water, electricity and communication facilities necessary for the implementation, operations and maintenance of the Project / Project Facilities and Services in accordance with this Agreement, at rates and on terms no less favourable to the Concessionaire than those generally available to commercial customers availing substantially equivalent facilities and utilities. Provided unless otherwise agreed to by the Concessioneing Authority:

- (a) the power made available shall be as received by the Concessioneing Authority from AP TRANSCO.
- (b) the water made available shall be as received by the Concessioneing Authority from Greater Visakhapatnam Municipal Corporation (GVMC). The take off point for water shall be the nearest available water line;
- (c) the Concessionaire shall, at its cost, and to the satisfaction of the Concessioneing Authority, install meters to measure the consumption of power and water. The Concessioneing Authority does not warranty the reliability, quality and quantity of water and power and shall not be liable in any manner for the shortage in or non-supply of these utilities;
- (d) The Concessionaire may, at its cost, make alternate arrangements for power including but not limited to installation of generators, subject to obtaining Applicable Permits, if any, therefor.



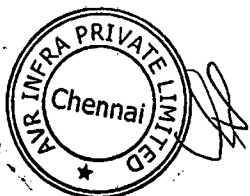
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7.3 Liability for shortfall in performance

In the event the Concessioneing Authority, whether from the review of reports submitted by the Concessionaire in accordance with the provisions of this Agreement or otherwise, observes that the Project / Project Facilities and Services do not comply with the Performance Standards or fall short of the Performance Standards, the Concessioneing Authority shall calculate the amount of liquidated damages payable by the Concessionaire in accordance with Appendix 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 Concessioneing Authority which shall be considered by the Concessioneing Authority on merits and the Concessioneing Authority may waive the liquidated damages in part or full, if it is satisfied that the Concessionaire has been carrying out its obligations diligently and efficiently and the shortfall to be waived was on account of reasons beyond the control of the Concessionaire.

It is clarified that this provision does not prejudice the rights of the Concessioneing Authority upon a Concessionaire Event of Default as set out in Article 15 including the Concessioneing Authority's right to terminate this Agreement which shall remain unaffected.



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ARTICLE 8

TARIFF

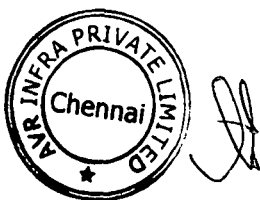
8.1 Levy and Recovery of the Tariff

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 Concessioneing Authority 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 this regard, for the purpose of such collection.



ARTICLE 9

PAYMENTS TO THE CONCESSIONING AUTHORITY

9.1 License Fee

- (a) The Concessionaire shall, as consideration for the use, in its capacity as a bare licensee of the Project Site (land) comprised in the Port's Assets, made available in accordance with Article 2.4, pay to the Concessioning Authority the sum of Rs. 3.40 (Rupees Three decimal four zero Only) million (as specified in the bid documents) (the "License Fee") towards annual land lease rental for the extent of land 30,000 Sq.m. for reception, storage and dispatch facilities and 3200 Sq.m. for pipeline routing. Such amount shall be paid by the Concessionaire every year as agreed upon.

The annual land lease rentals will be escalated every year @2%. The land lease rentals as per schedule of rates prevailing from time to time shall be payable by the Concessionaire to Concession Authority for the land leased.

The Concessionaire shall also pay 1(one) year rent as premium, 1(one) year rent as advance and 5(five) years rent as Security Deposit* in the form of Bank Guarantee.

In addition to the above a lump sum amount of Rs 58.50 million (Rupees Fifty Eight decimal five zero) shall be payable by the concessionaire as upfront fee as consideration for the use of 60mtrs length of the berth made available by the Concessioning Authority.

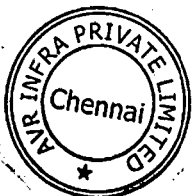
* The land policy guidelines as on the date of opening of RFP will be made applicable.

- (b) Any delay in payment of the amount in the preceding clause (a) shall entail payment of interest @ SBI BASE RATE 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 [19.08] % (Nineteen Point Zero Eight 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 Gross Revenue. Further, in computing the Gross Revenue, 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 BASE RATE plus 2% (two percent) per annum from the due date till the date of payment or realization thereof.

9.3 Utilities or Services

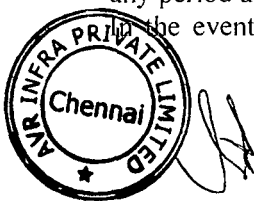
The Concessionaire shall also pay rent or other charges for any premises (other than the Project Site / Project Assets) or additional utilities or services, made available by the Concessioneing Authority to the Concessionaire in accordance with the terms, conditions and covenants including on payment of rates specified by the Concessioneing Authority. Such rates shall be the Schedule of Rates in respect of land and twice the Scale of Rates for all other utilities and services 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 documents and supporting evidences for its financial statements including agreements and documents with respect to all capital and debt raised by the Concessionaire, capital and revenue expenses towards the Project, ship/vessel/user wise information, and, as relevant, the details of cargo handled by category, tariffs charged and the amount of rates received. The Concessionaire shall submit to the Concessioneing Authority a financial statement 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 Concessioneing Authority shall, at its own cost, have the option to appoint another firm of chartered accountants duly licensed to practice in India (the "Additional Auditor") to conduct a special audit of the Gross Revenue and the financial statements, documents and supporting evidences thereto as may be mandated by the Concessioneing Authority and report to the Concessioneing Authority such information as may be desired by the Concessioneing Authority for any period and the Gross Revenue ("Special Audit").

In the event that the Gross Revenue reported by the Additional Auditor is higher

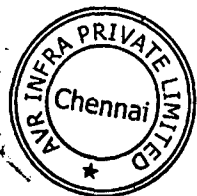


than that reported by the Statutory Auditor, the auditors shall meet to resolve such differences and if they are unable to resolve the same the Concessionaire shall pay Royalty on the Gross Revenue reported by the Additional Auditor. The Concessionaire shall also pay interest @ SBI BASE RATE plus 2% (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 Concessioning 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 Concessioning 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 Concessioning Authority or such other authority.

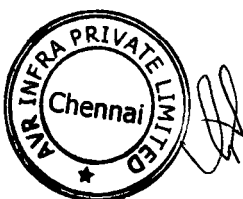
- (a) Withdrawals and appropriations during the Concession Period, at any relevant time, from the Escrow Account shall be in the following order of priority :
- (i) for all taxes due and payable by the Concessionaire;
 - (ii) towards payment of License Fee;
 - (iii) all construction / implementation 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;
 - (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 Concessioneing 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 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.



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

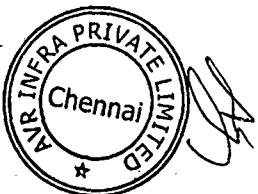
The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by the Concessionaire at the Project Site and / or in the Port's Assets pursuant to this Agreement shall, until expiry 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.

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 Concessioneing Authority to the Lenders, to the extent they are entitled to receive the same in accordance with the provisions of this Agreement.



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 :

IMC Limited – 74%(Seventy Four Percent only)

ITD Cementation India Limited – 26% (Twenty Six Percent only)

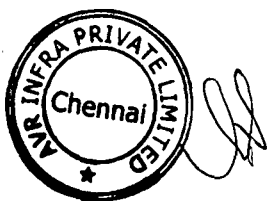
11.2 Shareholding

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) IMC Limited (“**Lead Member**”) legally and beneficially holds at any time not less than 26%(twenty six 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 Concessioneing Authority which consent shall not be withheld except (i) for reasons of national security; or (ii) if the Person proposed for assuming such Management Control would by virtue of the restrictions imposed under the 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 Concessioneing Authority as stated hereinbefore and in accordance with the Financing Documents.



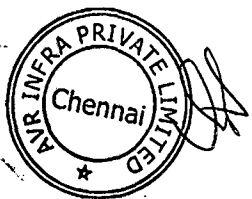
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11.3 Constituent Documents

The Concessionaire shall ensure that its Articles of Association (AOA) adequately reflect the aforesaid and the relevant commitments, obligations and responsibilities of the Applicant / Consortium.

In particular, the AOA and the Memorandum of Association (MOA) 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 AOA and MOA to the Concessioneing Authority as soon as may be reasonably possible.

Any subsequent change in the AOA or MOA which alter the provisions required by this Article shall require the prior approval of the Concessioneing Authority and the AOA and MOA of the Concessionaire shall include a specific provision to this effect.



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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

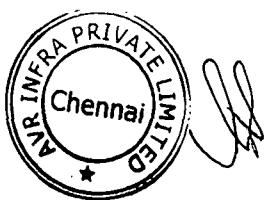
The Concessionaire shall during the Concession Period pay in a timely manner all taxes, duties, levies, VAT, cess and charges including but not limited to income tax, sales tax, excise duty, customs duty, service tax and octroi that may be levied, claimed or demanded from time to time by any Government 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 Concessioneing Authority and others who may enter the Project Site or the Port's Assets;
- (d) workmen's compensation insurance;
- (e) marine cum storage cum erection insurance; and
- (f) any other insurance that may be necessary to protect the Concessionaire, its employees and its assets and the 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).



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(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

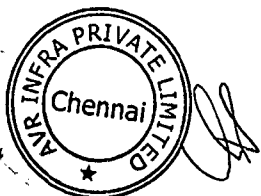
The Concessionaire shall, from time to time, provide to the Concessioneing Authority copies of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Concessionaire in accordance with this Agreement.

(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 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 therefore shall be reimbursed with interest @ SBI BASE RATE 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.



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(vi) Waiver of Subrogation

All insurance policies procured in terms of the provisions hereof shall include a waiver of any right of subrogation of the insurers there under against, inter alia, the Concessioneing Authority and its assigns and successors and their respective subsidiaries, affiliates, employees and of any right of the insurers of any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy or in any way connected with any loss, liability or obligation covered by such policies of insurance.

(d) Indemnification

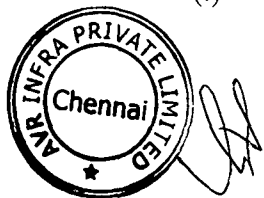
The Concessionaire shall during the pendency of this Agreement and thereafter until all claims and demands in respect to the acts and omissions during the period of the Agreement as described hereunder are duly settled, indemnify and keep indemnified and otherwise save harmless, the Concessioneing Authority, 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 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

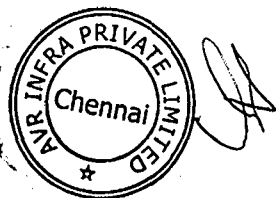


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provisions of this Agreement; and

- (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 :** Not applicable.



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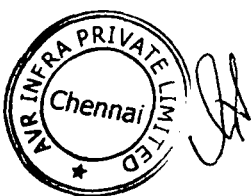
(g) Condition Survey

- (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 therefore 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 27,690,000 (Rupees twenty seven million and six hundred ninety thousand 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.

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 **Bio Diesel and Bio Diesel products** 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").

(d) **General rights of inspection and verification**

The Concessioneing 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.

(e) *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 Concessionaire

(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 Concessionaire, shall always remain the property of the Concessioneing Authority. Such documents, computer programs and / or copies shall not be used by the Concessionaire for the purposes other than for the Project. Such documents, computer programs and / or copies thereof shall, unless otherwise agreed upon by the Concessioneing Authority, be returned by the Concessionaire to the Concessioneing Authority on the Transfer Date.



(ii) Concessionaire's Documents

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

(iii) Confidentiality

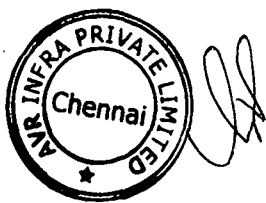
All confidential information and documents (whether financial, technical or otherwise) provided by either Party to the other shall not, unless compelled by law or the process of a Government Authority, be disclosed to any Person without the consent of the other Party with the exception of providing such information to legal advisors / auditors of the concerned party on a need-to-know basis. This covenant shall survive the Concession Period.

(iv) Obligation to Cooperate

The Parties shall mutually cooperate with each other in order to achieve the objectives of this Agreement.

(v) Substitution Agreement

The Substitution Agreement envisaged by Appendix 3 hereunder, will / may be executed within 30 (thirty) Days' of notice by the Concessionaire to the Concessioneing Authority of the Lenders' readiness to execute the same.



ARTICLE 13
CHANGE IN LAW

13.1 Change in Law

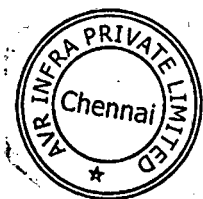
"Change in Law" means any of the following events which has a Material Adverse Effect:

- (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 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 Concessioning 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.



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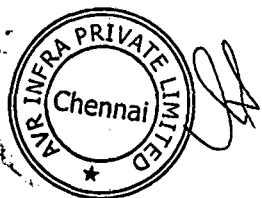
- (b) In the alternative to the aforesaid, subject to the Concessionaire taking necessary measures to mitigate the impact or the likely impact of Change in Law on the Project, if as a direct consequence of a Change in Law, the Concessionaire is obliged to incur Additional Cost in any accounting year, any such Additional Cost above a sum of Rs. 27.69 million may at the option of the Concessioneing Authority be borne by the Concessioneing Authority. It is clarified that Additional Cost upto Rs. 27,690,000 (Rupees twenty seven million and six hundred ninety thousand only) in any accounting year shall be borne by the Concessionaire;
- (c) Upon occurrence of a Change in Law, the Concessionaire shall notify the Concessioneing Authority, of the following:
- (i) the particulars, nature and the impact of Change in Law on the Project;
 - (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 Base Rate + 2% (two percent) on the amount the payment of which is deferred.

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.38,770,000 (Rupees thirty eight million and seven hundred seventy thousand only) in any Financial Year, the Concessionaire shall notify the Concessioneing Authority and pay to the Concessioneing 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 Concessioneing 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 Concessioneing Authority, the same shall be finally settled in accordance with the dispute resolution mechanism contained in Article 19 herein.



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ARTICLE 14

FORCE MAJEURE

14.1 Force Majeure Event

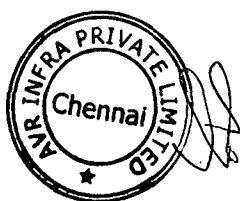
As used in this Agreement, Force Majeure Event means the occurrence of any of the Non-Political Events, the Political Events or the Other Events in India, set out in Articles 14.2, 14.3 and 14.4 respectively including the impact/consequence thereof which :

- (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);
- (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

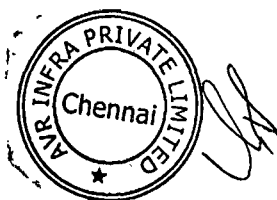
Any of the following events shall constitute Political Event:

- (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 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;



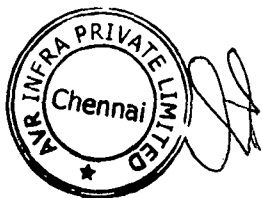
- (d) any judgment or order of a court of competent jurisdiction or statutory authority in India made against the Concessionaire or the Contractor in any proceedings which is non-collusive and duly prosecuted by the Concessionaire; and any judgment or order of a court of competent jurisdiction or statutory authority in India made against the Concessionaire or the Contractor in any proceedings which is non-collusive and duly prosecuted by the Concessionaire other than relating to proceedings (i) pursuant to failure of the Concessionaire to comply with any Applicable Law or Applicable Permit, or (ii) on account of breach of any Applicable Law or Applicable Permit or of any contract, or (iii) enforcement of this Agreement or (iv) with respect to exercise of any of its rights under this Agreement by the Concessioneing Authority; or
- (e) any event or circumstance of a nature analogous to any of the foregoing.

14.5 Notice of Force Majeure Event

- (a) The Affected Party shall give written notice to the other Party in writing of the occurrence of any of the Force Majeure Event (the "Notice") as soon as the same arises or as soon as reasonably practicable and in any event within 7 (seven) Days after the Affected Party knew, or ought reasonably to have known, of its occurrence and the adverse effect it has or is likely to have on the performance of its obligations under this Agreement.
- (b) The Notice shall inter-alia include full particulars of:
 - (i) the nature, time of occurrence and extent of the Force Majeure Event with evidence in respect thereof;
 - (ii) the duration or estimated duration and the effect or probable effect which such Force Majeure Event has or will have on the Affected Party's ability to perform its obligations or any of them under this Agreement;
 - (iii) the measures which the Affected Party has taken or proposes to take, to alleviate the impact of the Force Majeure Event or to mitigate the damage; and
 - (iv) any other relevant information.
- (c) So long as the Affected Party continues to claim to be affected by a Force Majeure Event, it shall provide the other Party with periodic fortnightly 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:



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

14.7 Resumption of Performance

During the period of Force Majeure, the Affected Party shall in consultation with the other Party, make all reasonable efforts to limit or mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. The Affected Party shall also make efforts to resume performance of its obligations under this Agreement as soon as possible and upon resumption shall notify the other Party of the same in writing. The other Party shall afford all reasonable assistance to the Affected Party in this regard.

14.8 Performance Excused

The Affected Party, to the extent rendered unable to perform its obligations or part thereof under this Agreement as a consequence of the Force Majeure Event shall be excused from performance of the obligations. Provided that, the excuse from performance shall be of no greater scope and of no longer duration than is reasonably warranted by the Force Majeure Event. Provided further, nothing contained herein shall absolve the Affected Party from any payment obligations accrued prior to the occurrence of the underlying Force Majeure Event.

14.9 Costs, Revised Timetable

(a) Costs

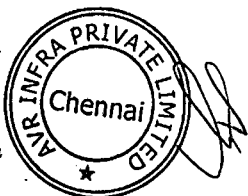
Each Party shall bear its costs, if any, incurred as a consequence of the Force Majeure Event.

(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.



ARTICLE 15

EVENTS OF DEFAULT

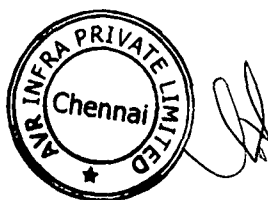
15.1 Events of Default

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.

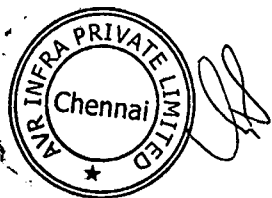
(a) The Concessionaire Event of Default

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;
- (vi) A 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;
- (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 cause of business in contravention with the provisions of Article 11 hereof; and
- (xvii) the Concessionaire engaging or knowingly allowing any of its employees, agents, Contractors or representatives 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.



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(b) The Concessioneing Authority Event of Default

- (i) the Concessioneing Authority's failure to perform or discharge its obligations in accordance with the provisions of this Agreement unless such failure has occurred as a consequence of any Concessionaire Event of Default or a Force Majeure Event.
- (ii) any representation made or warranties given by the Concessioneing Authority under this Agreement is found to be false or misleading.
- (iii) appointment of a provisional liquidator, administrator or receiver of the whole or part of the Port's Assets in any legal proceedings initiated against the Concessioneing Authority (unless such proceedings are initiated as a consequence of any Concessionaire Event of Default).
- (iv) levy of an execution or distraint 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 distraint remaining in force for a period exceeding 90 (ninety) Days.

15.2 Parties Rights

- (a) Upon the occurrence of the Concessionaire Event of Default, the Concessioneing Authority shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.
- (b) Upon the occurrence of the Concessioneing Authority Event of Default, the Concessionaire shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.

Provided that before proceeding to terminate this Agreement, the Party entitled to do so shall give due consideration and shall have due regard to the nature of the underlying Event of Default, its implication on the performance of the respective obligations of Parties under this Agreement and the circumstances in which the same has occurred.

15.3 Consultation Notice

Either Party exercising its right under Article 15.2, shall issue to the other Party a notice in writing specifying in reasonable detail the underlying Event(s) of Default(s) 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").



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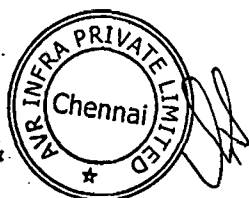
15.4 Remedial Process

Following the issue of Consultation Notice by either Party, within a period not exceeding 90 (ninety) Days or such extended period as the Parties may agree ("**Remedial Period**") the Parties shall, in consultation with the 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
 - (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.



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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 Concessioneing Authority's Rights of Step-in

Upon a Termination Notice being issued due to a Concessionaire Event of Default, the Concessioneing Authority may, at its discretion:

- (a) re-enter upon and take possession and control of Project Site / Project Facilities and Services forthwith;
- (b) prohibit the Concessionaire and any Person claiming through or under the Concessionaire from entering upon / dealing with the Project Facilities and Services;
- (c) step in and succeed upon election by Concessioneing Authority without the necessity of any further action by the Concessionaire, to the interests of the Concessionaire under such of the Project Contracts as the Concessioneing Authority may in its discretion deem appropriate with effect from the date of communication of such election to the counter party to the relative Project Contracts.

Provided, that in such circumstances, the Concessioneing Authority shall assume the obligations of the Concessionaire 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 Concessioneing 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 Concessioneing Authority shall by a notice in writing ("**Requisition**") call upon the Concessionaire to furnish the following information to enable the Concessioneing Authority to estimate the likely compensation payable by the Concessioneing 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 Concessioneing 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 of the Project Facilities and Services regarding the operation and maintenance.



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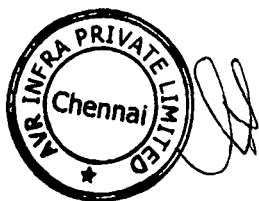
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- (c) specifications regarding the Concessionaire's assets comprised in the Project Facilities and Services; and
- (d) any other information or records regarding Concessionaire, its business, the Project / Project Facilities and Services, assets and liabilities.

The Concessionaire shall within a period of 30 (thirty) Days of receipt of Requisition furnish the particulars called for by the Concessioneing Authority.

16.4 Condition Survey

- (a) The Concessionaire agrees that on the service of a Termination Notice or at least 6 (six) months prior to the expiry of the Concession Period, as the case may be, it shall conduct or cause to be conducted under the Concessioneing Authority's supervision, a condition survey of the Project Facilities and Services including the Project Site and/or the Port's Assets to ascertain the condition thereof, verifying compliance with the Concessionaire's obligations under this Agreement and to prepare an inventory of the assets comprised in the Project Facilities and Services. During this period, the designated key personnel of the Concessioneing Authority shall be associated with the operations of the Project Facilities and Services (except when the same is impossible due to a Force Majeure Event) in order to facilitate smooth take over of the same by the Concessioneing Authority on the Transfer Date.
- (b) If, as a result of the condition survey, the Concessioneing Authority shall observe/notice that the Project Site and/or the Port's Assets and/or the Project Facilities and Services or any part thereof have/has not been operated and maintained in accordance with the requirements therefor under this Agreement (normal wear and tear excepted) the Concessionaire shall, at its cost and expenses, take all necessary steps to put the same in good working conditions well before the Transfer Date.
- (c) In the event the Concessionaire fails to comply with the provisions of this Agreement, the Concessioneing Authority may itself cause the condition survey and inventory of Port's Assets and the Project Facilities and Services to be conducted. The Concessioneing Authority shall be compensated by the Concessionaire for any costs incurred in conducting such survey and preparation of inventory as also in putting the Project Facilities and Services in good working condition.

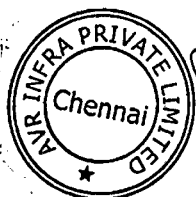


16.5 Consequences of Termination

Without prejudice to any other consequences or requirements under this Agreement or under any law:

- (a) the Concessionaire shall transfer all the assets and rights upon expiry of the Concession Period by efflux of time or termination of the Agreement due to a Force Majeure Event or on account of an Event of Default in accordance with Article 18;
- (b) the Concessions Authority shall be entitled to encash any subsisting bank guarantee(s) provided by the Concessionaire against any amounts owing to the Concessions Authority by the Concessionaire.

Notwithstanding anything contained in this Agreement, except for ensuring the deposit of the compensation payable to the Concessionaire in accordance with Article 17 in the Escrow Account, the Concessions Authority shall not, as a consequence of termination or otherwise, have any obligation whatsoever to any third party including but not limited to obligations as to compensation for loss of employment, continuance or regularization of employment, absorption or re-employment on any ground, in relation to any person in the employment of or engaged by the Concessionaire in connection with the Project, and the handback of the Project Site / Port Assets / Project Facilities & Services by the Concessionaire to the Concessions Authority shall be free from any such obligation.



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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).

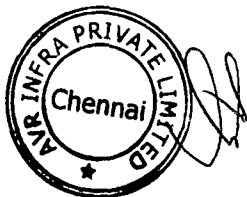
Provided, no compensation shall be payable to the Concessionaire if the Concessionaire fails to maintain Insurance Cover as contemplated under Article 12 of this Agreement.

(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:

- (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 Encumbrances.

17.3 Transfer Fee and Charges

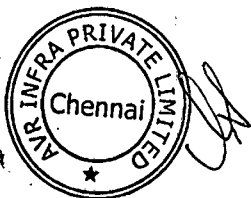
Transfer costs, stamp duties, notary fees and taxes, if applicable, for the transfer of the Project Facilities and Services consequent to the expiry or termination of this Agreement shall be borne by:

- (a) the Concessionaire in the event of expiry of Concession Period or termination due to a Concessionaire Event of Default;
- (b) the Concessioneing Authority in the event of termination due to a Concessioneing Authority Event of Default or Political Event; and
- (c) by both parties equally in case of termination due to Change in Law or Non Political Event or Other Event.

17.4 Payment of Compensation to Lenders

The Concessionaire hereby irrevocably authorises the Concessioneing 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 Concessioneing Authority shall stand duly discharged of its obligations regarding payment of compensation under this Agreement and the charge created by the Concessionaire in favour of the Lenders on any of its assets taken over by the Concessioneing Authority shall stand satisfied and all such assets shall on and from the Transfer Date be free from such charge. The Concessionaire further confirms that payment of compensation by Concessioneing Authority in accordance with this Article 17.4 shall be a valid discharge to the Concessioneing Authority in respect of Concessioneing Authority's obligation regarding payment of 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 Concessioneing Authority and to deal with the same in accordance with their respective rights under law.



Provided further, if there are no amounts outstanding under the Financing Documents and a certificate to that effect issued by the Lenders is furnished by the Concessionaire to the Concessioneing Authority, the compensation shall be paid by the Concessioneing Authority to the Concessionaire directly.

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 BASE RATE 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.

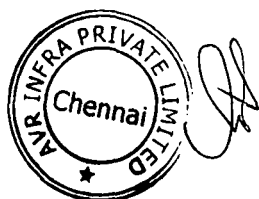
17.6 Delayed Transfer of Assets

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.

17.7 Remedies Cumulative

The exercise of right by either Party to terminate this Agreement, as provided herein, shall not preclude, such Party from availing any other rights or remedies that may be available to it under law. All remedies available to the Parties shall be cumulative and the exercise or failure thereof of one or more remedies by any Party shall not limit or preclude the exercise of or constitute a waiver of any other remedies by such Party.



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ARTICLE 18

TRANSFER ON EXPIRY OF THE CONCESSION PERIOD

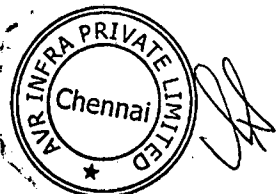
18.1 General Scope of Transfer/Payment

The Parties shall perform / discharge their respective obligations to be performed or discharged under the provisions of this Agreement on the Transfer Date in entirety. Without prejudice to the generality of this provision and the provisions of Article 16, the transactions to be consummated and the formalities to be completed by the Parties on the Transfer Date shall be as set out in Articles 18.2 and 18.3.

18.2 Concessionaire's Obligations

The Concessionaire shall;

- (a) hand over peaceful possession of the Project Site, Port's Assets, the Project and the Project Facilities and Services free of Encumbrance;
- (b) transfer all its rights, titles and interests in the assets comprised in the Project Facilities and Services which are required to be transferred to the Concessioneing Authority in accordance with this Agreement and execute such deeds and documents as may be necessary for the purpose and complete all legal or other formalities required in this regard;
- (c) hand over to the Concessioneing Authority all documents including as built drawings, manuals and records relating to operation and maintenance of the Project Facilities and Services;
- (d) transfer technology and up-to-date know-how relating to operation and maintenance of the Port's Assets and/or the Project Facilities and Services;
- (e) transfer or cause to be transferred to the Concessioneing Authority any Project Contracts which are (i) valid and subsisting; (ii) capable of being transferred to the Concessioneing Authority; and (iii) those the Concessioneing Authority has chosen to take over, and cancel or cause to be cancelled such Project Contracts not transferred to the Concessioneing Authority. For this purpose, the Concessionaire shall ensure that all Project Contracts are assignable in favor of the Concessioneing Authority without any further action on part of the respective counterparties. The Concessionaire shall entirely at its cost, terminate all such Project Contracts which are not transferred/assigned and / or are not required to be transferred/assigned to the Concessioneing Authority;



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- (f) at its cost, transfer to the Concessioneing Authority all such Applicable Permits which the Concessioneing Authority may require and which can be legally transferred. Provided if the termination is on account of Concessioneing Authority Event of Default the cost of such transfer shall be borne/ reimbursed by the Concessioneing Authority;
- (g) at its cost, remove within 90 (ninety) days from expiry of the Concession Period, from the Project Site/Port's Assets, any moveable assets that are not taken over by or not to be transferred to the Concessioneing Authority in terms of the provisions of this Agreement.

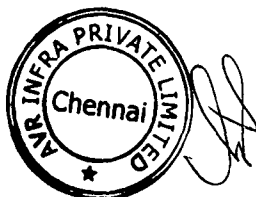
18.3 Concessioneing Authority's Obligations

Except in the event of expiry of the Concession by efflux of time, the Concessioneing Authority shall pay 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 Concessioneing Authority shall stand duly discharged of its obligations regarding payment of compensation under this Agreement and the charge created by the Concessionaire in favour of the Lenders on any of the assets shall stand satisfied and all such assets shall on and from the Transfer Date be free from such charge.

The Concessionaire further confirms that payment of compensation by Concessioneing Authority in accordance with this Article 18.3 shall be a valid discharge to the Concessioneing Authority in respect of Concessioneing Authority's obligation regarding payment of compensation to the Concessionaire under this Agreement.

18.4 Risk

Until transfer in accordance with this Article 18, the Port's Assets and the Project Facilities and Services shall remain at the sole risk of the Concessionaire except for any loss or damage caused to or suffered by the Concessionaire due to any act or omission or negligence on the part of the Concessioneing Authority under this Agreement.



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ARTICLE 19

DISPUTE RESOLUTION

19.1 Amicable Settlement

If any dispute or difference or claims of any kind arises between the Concessioneing Authority and the Concessionaire in connection with construction, interpretation or application of any terms and conditions or any matter or thing in any way connected with or in connection with or arising out of this Agreement, 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 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.



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(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

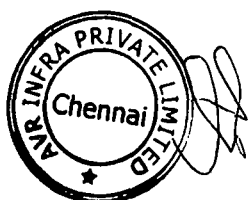
Any decision or award resulting from arbitration shall be final and binding upon the Parties. The Parties hereto agree that the arbitral award may be enforced against the Parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be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

(f) 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.

(g) 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 Concessioneing Authority that:

- (a) it is duly organised, validly existing and in good standing under the laws of India and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- (b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- (d) this Agreement constitutes the legal, valid and binding obligation of the Concessionaire, enforceable against it in accordance with the terms hereof;
- (e) there are no actions, suits or proceedings pending or to its best knowledge, threatened against or affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Agreement;
- (f) it has the financial standing and capacity to undertake the Project in accordance with the terms of this Agreement;
- (g) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its memorandum of association and articles of association or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;
- (h) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Authority which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement;
- (i) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or



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criminal liabilities which in the aggregate have or may have a Material Adverse Effect on its ability to perform its obligations under this Agreement;

- (j) all its rights and interests in the Project/Project Facilities and Services shall pass to and vest in the Concessioneing 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 Concessioneing Authority, and that none of the Project Assets shall be acquired by it, subject to any agreement under which a security interest or other lien or Encumbrance is retained by any person, save and except as expressly provided in this Agreement;
- (k) no representation or warranty by it contained herein or in any other document furnished by it to the Concessioneing Authority including the Bid or to any Government Authority in relation to Applicable Permits contains or will contain any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading;
- (l) no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing the Concession or entering into this Agreement or for influencing or attempting to influence any officer or employee of the Concessioneing Authority in connection therewith;
- (m) agrees that the execution, delivery and performance by it of this Agreement and all other agreements, contracts, documents and writings relating to this Agreement constitute private and commercial acts and not public or governmental acts; and
- (n) consents generally in respect of the enforcement of any judgement against it in any proceedings in any jurisdiction to the giving of any relief or the issue of any process in connection with such proceedings.

20.2 Representations and Warranties of the Concessioneing Authority

The Concessioneing Authority represents and warrants to the Concessionaire that:

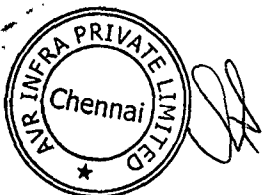
- (a) it is duly organised, validly existing and in good standing under the laws of India;
- (b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- (d) this Agreement constitutes the legal, valid and binding obligation of the Concessioneing Authority, enforceable against it in accordance with the terms hereof; and



- (e) there are no actions, suits or proceedings pending or to its best knowledge, threatened against or affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Agreement.

20.3 Disclosure

In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any obligation of either Party under this Agreement.



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ARTICLE 21
MISCELLANEOUS PROVISIONS

21.1 Datum

The datum to which all levels shall be referred for the purpose of the Project is the Chart Datum (0.000) which is 0.80 m below mean sea level or such levels as notified by the Concessioneing Authority from time to time.

21.2 Survival of Obligations

Any cause of action which may have occurred in favour of either Party or any right which is vested in either Party under any of the provisions of this Agreement during the Concession Period as the case may be as a result of any act, omission, deed, matter or thing done or omitted to be done by either Party before the expiry of the Concession Period by efflux of time or otherwise in accordance with the provisions of this Agreement shall survive the expiry of the Concession Period / termination of this Agreement.

21.3 Articles to survive Termination

The provisions of Articles 16 to 21 shall, to the fullest extent necessary to give effect thereto, survive the Concession Period / the termination of this Agreement and the obligations of Parties to be performed / discharged following the termination / early determination of this Agreement shall accordingly be performed / discharged by the Parties.

21.4 Joint Responsibility

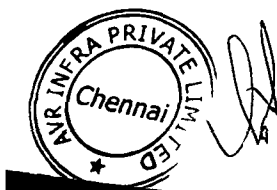
In the event that any damage is caused partly due to the negligence or default or omission on the part of the Concessioneing Authority and partly due to the negligence or default or omission on the part of the Concessionaire, each Party shall be liable to the other Party only in the proportion to its respective degree of negligence or default or omission, as the case may be.

21.5 Several Obligations

Nothing contained in this Agreement shall be construed to create an association, trust, partnership, agency or joint venture among the Parties and Parties shall be liable to perform their respective duties and discharge their respective liabilities or obligations in accordance with the provisions of this Agreement.

21.6 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



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Agreement never comprised part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such void or illegal or invalid provision or by its severance from this Agreement.

21.7 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 Concessioning Authority:

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

The Concessionaire:

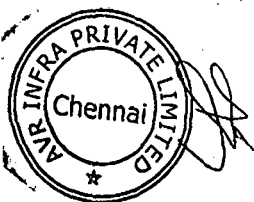
The DIRECTOR

AVR INFRA PRIVATE LIMITED
“Neeladri”, III Floor
9, Cenotaph Road
Alwarpet
Chennai
Fax No. 91-44-4590 2200

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.



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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.

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:

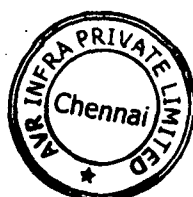
Common Seal of the Concessioneing Authority is affixed pursuant to its resolution No 130 / 2009-10 dated 26-02-2010 of the Board in the presence of Mr. _____


_____ who has signed this Agreement in token thereof.

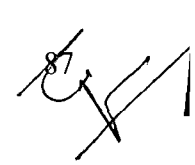
Signed and Delivered by the Concessionaire by the hand of its authorized representative Mr. Ajay Kumar Sahoo pursuant to Resolution dated 09.08.2010 of its Board of Directors.

For AVR Infra Private Limited


Authorised Signatory




Dy. Chairman / उपाध्यक्ष
विशाखपट्टनम पोर्ट ट्रस्ट
Visakhapatnam Port Trust



APPENDIX 1

PROJECT SITE

1.0 SITE INFORMATION

1.1 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 Concessioneing Authority .

1.2 THE SITE

The Visakhapatnam Port is located in the city of Visakhapatnam, Visakhapatnam District, State of Andhra Pradesh on the East Cost of India and lies on Latitude 17⁰- 41'N and Longitude 83⁰-18' E. The EQ10 berth is proposed to be constructed by extending Northern arm in the Inner Harbour of the Concessioneing Authority in continuation to the existing EQ9 berth as shown in drawing No. VPT / 01 / 06

1.3 AVAILABILITY OF LAND

The land for establishment of the identified facilities shall be provided by the Concessioneing 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.

1.4 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 TEMPERATRUE & SALINITY:

The sea water temperature at Visakhapatnam Coast varies from a mean of about 25⁰ C in January to 29⁰ C in October. The salinity varies from a monthly mean of about 24.4% in November to a monthly mean of 34% in April.

1.5 SUB-SOIL CONDITIONS

As per soil investigations carried out in the recent past in the project site, the expected soil strata is soft clay for a depth of about 18 m followed by stiff clay / sand with clay and pebbles for a depth of about 4 m overlying hard strata. 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.

1.6 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.

1.7 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%.

1.8 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

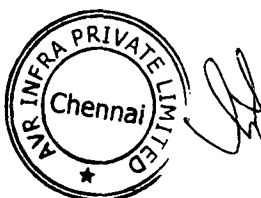
Highest w.r.t. datum

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.



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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:

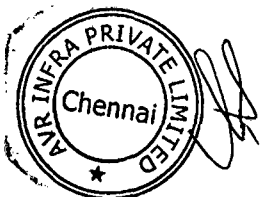
The average number of cyclones occurring at Visakhapatnam is 4 to 5 per year. Cyclone Storms and depressions occur with great frequency in August, October and November.

2.0 EXISTING BERTHS:

- 2.1** The Inner Harbour has 18 Nos. of berths and the Outer Harbour 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 carryout 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

1. A berth length of 60 m. already constructed in the year 2003 by M/s. Vizag Sea Port Ltd., as shore protection to their berth EQ-9 will become part of the berth length of EQ-10.
2. A water front of about 160m and an area of about 30,000 sqm of land at North of S-4 conveyor for development of receipt, storage and dispatch facilities and about 3,200 Sq.m. of land for laying pipelines is proposed to be leased to the Concessionaire. The land proposed to be leased is shown in the Drg. No.VPT/2/06 enclosed. The land lease rentals shall be as per Schedule of Rates as applicable from time to time and shall be payable by the Concessionaire to Concessioneing Authority for this land.

NOTE: There may marginal adjustments in the area proposed to be provided to the Concessioraire depending on the actual site conditions.



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

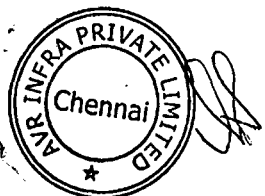
M/s. XXXX Limited, a company incorporated under the provisions of the Companies
Act, 1956 and having its Registered Office at ----- hereinafter referred to as
“the Concessionaire” (which expression shall unless repugnant to the context or meaning
thereof include its successors and assigns),

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”**).

WHEREAS,

- a) The Concessioneing Authority for implementing a Project envisaging planning,
designing, engineering, installation, finance, operation & maintenance of Mechanical
Facilities for handling liquid bulk cargo like caustic soda lye, edible oils, chemicals
and other liquid cargo (excluding POL Products) at EQ 10 berth in the northern arm of
inner harbour of Visakhapatnam Port by private sector participation (hereinafter
referred to as **“the Project”**), has by the Concession Agreement dated -----
----- entered into between the Concessioneing 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
Concessioneing 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 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereafter respectively assigned to them.

"Agreement" means this agreement and includes any amendment or modification made to this agreement in accordance with the provisions hereof.

"Financial Assistance" means the financial assistance set forth in **Schedule A** hereto, agreed to be provided by the Lender(s) to the Concessionaire for financing the Project.

"Financial Default" means occurrence of a material breach of the terms and conditions of the Financing Documents or a continuous default in servicing debt 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.

1.2 Capitalized terms used in this Agreement but not defined shall have the meaning assigned to them respectively in the Concession Agreement.



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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

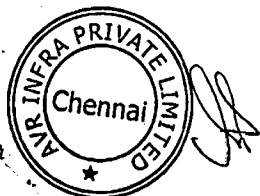
SUBSTITUTION OF THE CONCESSIONAIRE

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 Concessioneing 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 Concessioneing Authority for its information and record. A Notice of Financial Default under this Clause 3 shall be conclusive evidence of such Financial Default and it shall be final and binding upon the Concessionaire for the purposes of this Agreement.
- 3.2.2 Upon issue of a Notice of Financial Default hereunder, the 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 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 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.

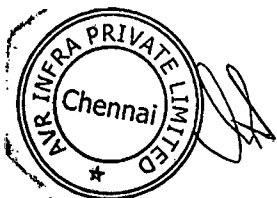
3.4.3 Upon selection of a Selectee, the Lenders/Lenders' Representative shall request the Concessioneing Authority to:

- (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 Concession Period.

3.4.4 If the Concessioneing Authority has any objection to the transfer of Concession in favour of the Selectee in accordance with this Agreement, it shall within 7 (seven) Days from the date of proposal made by the Lenders / Lenders' Representative, give a reasoned order after hearing the Lenders / Lenders' Representative. If no such objection is raised by the Concessioneing Authority, the Selectee shall be deemed to have been accepted. The Concessioneing Authority thereupon shall novate the Concession Agreement within 7 (seven) Days of its acceptance / deemed acceptance of the Selectee; provided that in the event of such objection by the Concessioneing Authority, the 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 Concessioneing Authority in selection of the Nominated Company shall be final and binding on the Concessionaire. The Concessionaire irrevocably agrees and waives any right to challenge the actions of the Lenders' Representative or the Lenders or the Concessioneing Authority taken pursuant to this Agreement including the transfer/novation of the Concession Agreement in favour of the Selectee. The Concessionaire agrees and confirms that it shall not have any right to seek revaluation of assets comprised in the Project or the Concessionaire's shares. It is hereby acknowledged by the Parties that the rights of the Lenders/Lenders' Representative are irrevocable and shall not be contested in any proceedings before any court or Concessioneing Authority and the Concessionaire shall have no right or remedy to prevent, obstruct or restrain the Concessioneing Authority or the 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

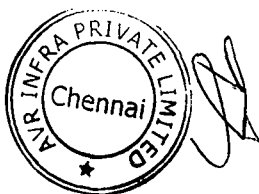
At any time after issue of a Notice of Financial Default, the Lenders/Lenders' Representative may by a notice in writing require the Concessioneing Authority to terminate the Concession Agreement forthwith, and upon receipt of such notice, the Concessioneing Authority shall terminate the Concession in accordance with the Concession Agreement.

5.2 Termination when no Selectee is selected

In the event that no Selectee acceptable to the Concessioneing Authority is selected and recommended by the 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 Concessioneing Authority may terminate the Concession Agreement forthwith in accordance with the provisions thereof.

5.3 Realisation of Debt Due

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

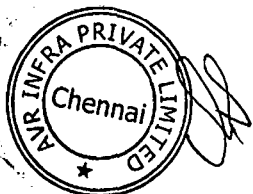
INDEMNITY

7.1 General indemnity

7.1.1 The Concessionaire will indemnify, defend and hold the Concessioneing 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 Concessioneing Authority will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Concessioneing Authority to fulfil any of its obligations under this Agreement, materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement or this Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of its lawful functions by the Concessioneing Authority.

7.1.3 The 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.



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7.2 Notice and contest of claims

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the **"Indemnified Party"**), it shall notify the other Party responsible for indemnifying such claim hereunder (the **"Indemnifying Party"**) within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same.

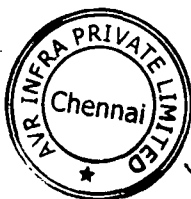
The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

ARTICLE 8

GENERAL

8.1 General

- (i) The Parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Agreement.
- (ii) Notices under this Agreement shall be sent to the Addresses first hereinabove mentioned. Any change in the address of any Party shall be duly notified by registered post acknowledgement due and delivered to the other parties.
- (iii) The expressions "Concessioneing Authority", the "Concessionaire", the "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 Concessioneing Authority, "Selectee" and the successor in interest of the Lender or Concessioneing Authority shall have the benefit of this Agreement.
- (v) Failing amicable settlement and/or settlement with the assistance of Expert, the dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three Arbitrators, one each to be appointed by the Concessioneing Authority and the 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

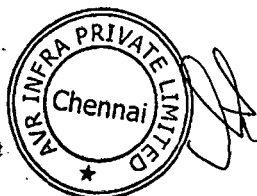


(thirty) Days of from the receipt of the request for such appointment, then the single Arbitrator appointed in accordance with this provision shall adjudicate the disputes as Sole Arbitrator.

- (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 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



[Handwritten signature]

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 :

Authorized of Statories:

SIGNED AND DELIVERED ON BEHALF OF GOVERNMENT OF INDIA

BY : _____

Name : Title :

SIGNED AND DELIVERED ON BEHALF OF ----- ON BEHALF OF
THE LENDERS SETFORTH IN SCHEDULE I

BY : _____

Name :



APPENDIX 4

PROJECT REQUIREMENTS

The following facilities and services for handling Bio-diesel, Caustic Soda, Chemical and edible oils shall be provided by the Concessionaire in the Project Assets provided by the Concessioning Authority.

PROJECT FACILITIES AND SERVICES:

Berth:

- o Plan, design and construct 100m length of berth and 50m length of return end to cater to the berthing requirement of 14m draft vessels.
- o Carry out dredging in front of the berth in phases i.e. (-) 11.80m initially, (-) 13.50 m & (-) 16.10 m CD in phases in future from the present ground level / soundings.
- o Develop back up area, water supply, area illumination, fire fighting and road facilities required including development of the land at the berth as well at the stack yard.

Storage facilities:

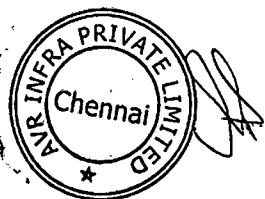
- i) 6 Nos. of M.S. vertical cylindrical storage tanks of 14m dia and 20m high.
- ii) Dock lines 3 Nos. (1 No. 12" dia and 2 Nos. 10" dia)
- o Develop utilities and services such as communication, office accommodation, etc required for operation of the berth.
- o Compliance with environmental laws during implementation i.e. construction, operation and maintenance.

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 of personnel of foreign nationality and sourcing of equipments from foreign countries.



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Annexure to Appendix-4

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.

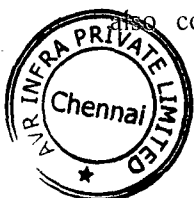
The Concessionaire shall meet the requirements of Management Quality System (IS / ISO – 9001: 2000) and shall also obtain accreditation for operations at the terminal. In addition, the Concessionaire shall comply with all relevant statutory regulations, codes, practices and guidelines.

It is not intended to specify herein all the relevant standards required to complete the Project. Such of those standards considered more pertinent are listed in this Annexure.

B. Civil Construction Work

B. 1. Dry Bulk, Break Bulk & Container Terminals

The civil construction work may comprise variety of works such as dredging, reclamation, construction of breakwaters, berths, development of back-up area for storage of cargo / containers, approach roads, railways sidings, operational buildings / offices, maintenance workshop, drainage, water supply, environmental protection works and other amenities. The Concessionaire is required to undertake all tests required as per IS / ISO / IEC standards to ensure that the construction work carried out by him meets not only the functional requirements of the project but also conforms to the required quality as per the standards. In addition, the



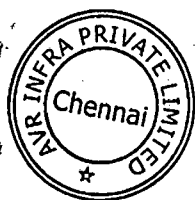
Concessionaire shall also comply with the provisions of specifications published by the Indian Road Congress, RDSO of Ministry of Railways and provisions of Shore Protection Manual (CERC) of US Army Corps of Engineers, as may be pertinent to the Project. In respect of implementing the Project, the Concessionaire shall refer to and as relevant comply with the design and construction standards specified in the following paragraphs.

Indian Standards for Construction of Ports and Harbours

IS 4651 – Part – 1 – 1974	Code of practice for planning and design of ports and harbours: Part 1 Site investigation
IS 4651–Part 2–1989	Code of practice for planning and design of ports and harbours Part 2 Earth pressure
IS 4651-Part III-1974	Code of practice for planning and design of ports and harbours: Part III: Loading
IS 4651- Part 4 -1989	Code of practice for planning and design of ports and harbours: Part 4: General Design consideration.
IS 4651-Part 5-1980:	Code of practice for planning and design of ports and harbours Part:5 Layout and functional requirements
IS7314: 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



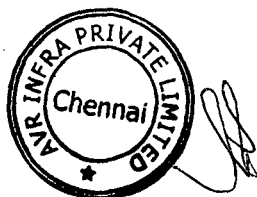
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IS 2911: Part1: Sec 4:1984	Code of practice for design and construction of pile foundations. Part 1 Concrete piles, Section 4 Bored pre-cast concrete piles
IS 2911: Part 2: 1980	Code of practice for design and construction of pile foundations: Part 2 Timber piles
IS 2911: Part 3: 1980	Code of practice for design and construction of pile foundations: Part 3 Under reamed piles.
IS 2911: Part 4: 1985	Code of practice for design and construction of pile foundations: Part 4 Load test on piles
IS 2950: Part 1: 1981	Code of practice for design and construction of raft foundations – Part I: Design
IS 2974: Part 1: 1982	Code of practice for design and construction of Machine Foundations- Part 1: Foundation for Reciprocating Type Machines.
IS 2974: Part 2: 1980	Code of practice for design and construction of machine foundations. Para 2 Foundations for impact type machine (hammer foundations)
IS 2974: Para 3: 1992	Code of practice for design and construction of machine foundations for rotary type machines (medium and high frequency)
IS 2974:: 1979:	Code of practice for design and construction of machine foundations: Part 4 Foundations for rotary type machines of low frequency.
IS 2974: Part 5: 1987	Code of practice for design and construction of machine foundations Part 5 Foundations for impact machines other than hammers (forging and stamping press, pig breaker 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 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

B-2 Bulk Liquid Terminals and Tank Farms

In addition to complying to the requirement of relevant specifications mentioned above, in respect of port terminals meant for handling bulk liquids such as caustic soda, edible oils, chemicals and Bio-Diesel etc., the Concessionaire shall also comply with the requirements as applicable.

C. Bulk Liquid Handling Equipment

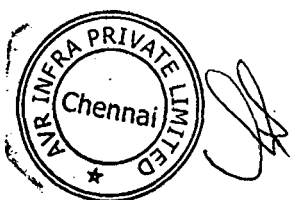
C-1 General

The Concessionaire in accordance with relevant standards shall provide the type and capacity of equipment required for handling the specified Liquid cargo. The equipment shall generally conform to the following standards and code of practices.

C-2 Marine Loading / Unloading equipment

The Mechanical components shall conform to the following Standards:

ASME Code B 16.5	Steel Pipe Flanges and Flanged Fittings
ASME Code B 31.3	Petroleum Refinery piping
AISE Standards	Manual of Steel Construction
BS 5500	Specification for Unfired Fusion Welded Pressure Vessels
API 6D	Specification for Pipeline Valves.
ISO 10497	Testing of Valves, Fire Type Testing Requirements



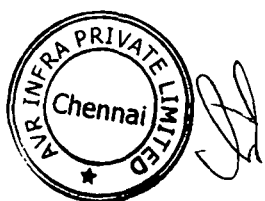
C-3 Fire fighting Equipment

C4 Standards for Pipelines: Specifications 5L.

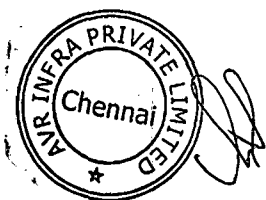
The Pipelines shall generally conform to API

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'
IS 10242: Part 3 : Sec 1: 1983	Electrical installations in ships: Part 3 Equipment, Sec I Generators and motors
IS 12615: 2004	Energy Efficient Induction Motors - Three Phase Squirrel Cage
IS 13529: 1992	Guide on Effects of Unbalanced Voltages on the Performance of Three-Phase Cage Induction Motors
IS 13555: 1993	Guide for Selection and Application of 3-Phase A. C. Induction Motors for Different Types of Driven Equipment
IS 14122: 1994	Built in thermal protection for electric motors rated up to 660 V ac
IS 14377: 1996	Specification for Three-phase Induction Motors for Fans Used in Air-conditioning and Ventilation
IS 15429: 2004	Storage, Installation and Maintenance of DC Motors- Code of Practice



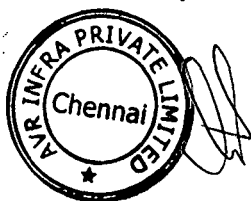
IS 3043: 1987	Code of practice for earthing
IS 3151: 1982	Earthing transformers
IS 5553(Part 6) 1991	Reactor Parts – Earthing of Transformers
IS 9921: Part 1: 1981	Specification for Alternating Current Disconnections (Isolators) and Earthing Switches for Voltages above 1 000 V - Part I: General and Definitions
IS 9921: Part 2: 1982	Alternating current disconnections (isolators) and earthing switches for voltages above 1000 V: Part 2 Rating
IS 9921: Part III : 1982	Specification for Alternating Current Disconnections (Isolators) and Earthing Switches for Voltages above 1000 V - Part III: Design and Construction
IS 9921: Part 4: 1985	Specification for Alternating Current Disconnections (isolators) and Earthing Switches for Voltages above 1000 V - Part 4: Type Tests and Routine Tests
IS 9921: Part 5: 1985	Specification for Alternating Current Disconnections (Isolators) and Earthing Switches for Voltages above 1000 v - Part 5: Information to be given with Tenders, Enquiries and Orders
IS 12776: 2002	Galvanized Strand for Earthing – Specification
IS 14981: 2001	Live Working - Earthing or Earthing and Short-Circuiting Equipment Using Lances as a Short-Circuiting Device-Lance Earthing
IS 13947: Part 2 : 1993	Specification for Low-voltage Switchgear and Control gear - Part 2 : Circuit Breakers
IS 14658: 1999	High Voltage Alternating Current Circuit Breakers - Guide for Short-circuit and Switching Test Procedures for Metal-enclosed and Dead Tank Circuit Breakers
IS 8828: 1996	Electrical Accessories - Circuit Breakers for Over Current Protection for Household and Similar Installations
IS 2309: 1989	Code of Practice for Protection of allied structure against lightning
IS 732: 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	Cross linked Polyethelene insulated PVC sheathed cables Part 1 for working voltages upto and including 1100 V
IS 7098 (Part 2) : 1985	Cross linked Polyethelene insulated PVC sheathed cables Part 2 for working voltages from 3.3 kV upto and including 33 kV
IS 7098 (Part 3) : 1988	Cross 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
The Electrical Components of Marine loading and unloading equipment shall conform to the following Standards:	
IEC 60079 – 14	Electrical Apparatus for Explosive Gas Atmosphere Part 14 Electrical Installations in Hazardous Areas (other than mines)
IEC 600529	Degrees of Protection Provided by Enclosures (IP Code)
For all other equipment not covered in the above standards, equivalent or higher standards in BS, JIS, FEM, DIN, ISO, IEC, are acceptable.	

E. Operations & Maintenance Standards: Repairs, Maintenance and Replacement

The Concessionaire at 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 manuals, 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 Port 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.

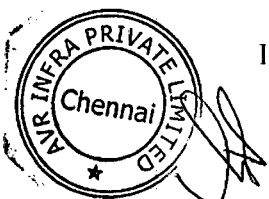
The repairs and maintenance shall generally conform to the following specifications.

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, brushing, petrol resisting,

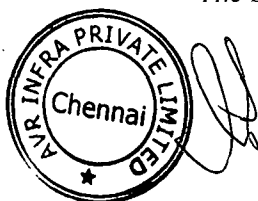


	air-drying for interior painting of tanks and containers, red oxide (colour unspecified)
IS 146 : 1950	Specification for ready mixed paint, brushing, petrol resisting, stoving, for interior painting of tanks and containers, red oxide (colour unspecified)
IS 147 : 1950	Specification for ready mixed paint, brushing, petrol resisting, stoving, for interior painting of tanks and containers, red oxide (colour unspecified)
IS 164 : 1981	Specification for Ready mixed paint for road marking (first revision)
IS 1419 : 1989	Antifouling paint, brushing for ship's bottom and hulls-Specification (second revision)
IS 6714 : 1989	Ready mixed paint, finishing, non-slip, deck – Specification (first revision)
IS 6948 : 1973	Specification for Ready mixed paint, undercoat, synthetic for ships
IS 6951 : 1973	Specification for Ready mixed paint, finishing, exterior for ships
IS 1477 : Part I : 1971	Code of Practice for Painting of Ferrous Metals in Buildings - Part I : Pretreatment
IS 1477 : Part 2 : 1971	Code of practice for painting of ferrous metals in buildings: Part 2 Painting
IS 9954 : 1981	Pictorial Surface Preparation Standards for Painting of Steel Surfaces

F. Safety Standards

The Concessionaire shall ensure compliance with the safety standards set out under Applicable Law / international conventions, as relevant, from time to time including those required under the following :

1. Dock Workers (Safety, Health and Welfare) Act, 1986 & Regulations framed thereunder of 1990.
2. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
3. The Petroleum Act, 1934 along with the Petroleum Rules, 2002.
4. OISD – Guidelines – 156 (Oil Industry Safety Directorate): Fire Protection Facilities for Port Oil Terminals.
5. The Explosives Act, 1884 along with The Explosive Substance Act, 1983 & The Explosive Rules, 1983



6. Guidelines by Fire Advisor, CCE & DG FASLI, Government of India
7. National Fire Codes (National Fire Protection Association – USA)
8. Drill Manual for the Fire Services of India.
9. International Safety Guide for Oil Tankers & Terminals.
10. ISPS (International Ship & Port Facility Security) Code (2003 Edition)
11. MARPOL CONVENTION
12. International Maritime Dangerous Goods Code
13. Andhra Pradesh Fire Services Act 1999 (Andhra Pradesh Fire Services Act 1999 Services (Amendment) Act 2006).
14. National Building Code of India.



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 DoS/Trust;
- (c) Provisions of this Agreement; and
- (d) Good Industry Practice.

3 Appointment of Safety Consultant

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

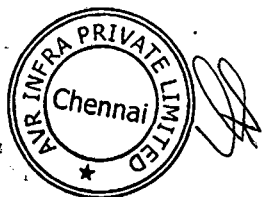


Safety Drawings with its recommendations, if any, to the Independent Engineer who shall record its comments, if any, and forward one copy each to the Concessioneing Authority and the Concessionaire.

- 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 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.
- 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, mutates 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 Trust 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, and designate on 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 Concessioneing Authority at the conclusion of every quarter and to the Safety Consultant as and when appointed.

5.4 The Concessionaire shall submit to the Concessioneing 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 Concessioneing 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, mutates mutandis, and acted upon in the manner set forth in Paragraphs 4.3, 4.4 and 4.5 of this Schedule.

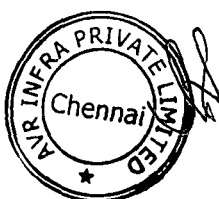
6 Costs and expenses

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 Concessioneing 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:

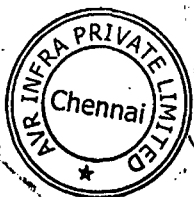
TYPE OF STRUCTURE OR EQUIPMENT	PERIOD MONTHS	FORM OF INSPCTION
Marine Fixtures viz. Bollards, Fenders, mooring rings, ladders, mooring chains etc	12	Visual
Generating stations and sub-stations	12	Visual & physical
Quay Walls	12	Visual-diver as necessary
Navigation Masts	12	Physical
Warehouses, sheds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



APPENDIX 5
PROJECT SCHEDULE

Milestone date	Activity / level of completion of Project
165 Days from Date of Award of Concession	25% of Construction Works should have been completed
270 Days from Date of Award of Concession	50% of Construction Works should have been completed
540 Days from Date of Award of Concession	100% of Construction Works should have been completed

The detailed CPM chart shall be furnished by the Concessionaire



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APPENDIX 6

DESIGNS AND DRAWINGS

The facility shall be designed for an annual throughput of not less than 1.84 million tonnes. The facility shall consist of Berths, marine loading / unloading storage facilities for bulk liquid cargos such as caustic soda, Bio-diesel, edible oils and chemicals.

The broad details / various components of the project are given below

a. Liquid Storage facilities:

The facility shall be designed for annual throughput of not less than 1.84 million tonnes. The facility shall consist of storage tanks, unloading from ship to the pipe line, pipe line transfer, loading from pipe line to tank terminal, ship loading systems. The liquid storage facilities shall consist of 6(six) numbers of M.S. Vertical cylindrical storage tanks of size 14.0 M. dia and 20.0 M. height for storing the liquid cargo. R.C.C Pile foundations shall be provided for supporting the storage tanks. Necessary pumping arrangement for transfer of liquid shall be made.

The transfer operations of the liquid cargo from the berth to the tank terminal can be categorized to the following:

- Unloading from ship to the pipeline
- Pipeline transfer underground
- Loading from pipeline to tank terminal

Ship to Pipeline transfer:

The ships containing liquid cargo at the berth shall be connected with SS flexible hoses (which are electrically continuous) and the discharge is facilitated through ship's pumps. There shall be manifolds on the shore (at the berth) from where the hoses are to be connected to the ship's manifold for unloading purposes. The hoses are either 8" or 6" size. The liquid cargo in the ship shall be transferred to the pipeline at a transfer rate of about 300 tons/hr and the maximum pressure at the manifold end will be around 4 Kg/cm².

Pipeline Transfer:

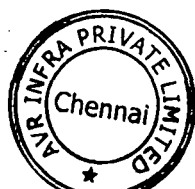
The pipeline transfer of liquid cargo from the berth to the tank terminal is facilitated by means of one 12" and two 10" size dock lines which are to be laid underground.

The rate of transfer of liquids through the 12" pipelines would be 350 – 400 tons/hr while for the 10" pipelines it would be 300 – 350 tons/hr at a normal operating pressure of 4 – 5 Kg/cm².

Pipeline to tank terminal transfer:

The 10" and 12" dock lines originating at the manifold at the berth and terminating at the tank terminal shall be connected to the 8" internal pipelines (running to and fro from the tanks) through the flexible hoses of 8" diameter. Only one pipeline would transfer the liquid cargo at a point in time.

One 2-inch diameter freshwater pipeline and one 1.5-inch diameter nitrogen purging line shall be provided for cleaning and purging of the pipelines and to enable the collection of washings at the installation end.



Pig launchers shall be made available at the ship's manifold end for each of the dock lines and a pig receiver shall be made available at the terminal manifold end. These are to be used for cleaning the pipelines after every loading operation.

All electrical equipment, mechanical equipment, pipe lines, manifolds, SS flexible hoses, of M.S. Vertical cylindrical storage tanks shall be designed as per relevant IS/BS codes given in annexure to Appendix-4

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 licenced area.

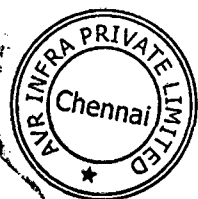
Control and Instrumentation

The control system shall be implemented in a microprocessor based PLC system or any other suitable appropriate and proven control system, having 100% hot redundant hardware, which provides fail safe and reliable automatic control and continuous monitoring of various equipment. CRT based operator station and Control desk complete with video display unit (VDU) shall be provided in the Control Room

Fire protection system

Hydrant system as per TAC guidelines or as per applicable norms of OISD guide lines shall be provided in the Berth area, along the pipeline route and the Tank farm. Necessary detection and protection for the Marine Loading and Unloading Arms, Pipelines and Storage tanks and in the control tower shall be provided, which shall mainly include:

- i) Hydrant system along the pipeline route shall be provided. Spacing of the hydrant along the route shall be about 40 m in general. Pressure at each hydrant point shall be 3.5 kg / sq.cm (g) pressure breakdown orifice, as necessary to restrict pressure of all hydrant point at said value or Hydrant system along the pipeline route shall be as per applicable norms of OISD guide lines



- ii) All tanks shall be provided with hydrant system and portable dry type fire extinguisher.
- iii) Control room and electric sub station shall be provided with alarm and dry type fire extinguishers.

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:

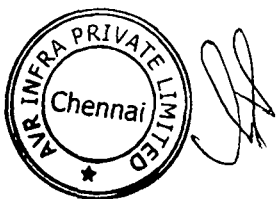
The Concessionaire unless otherwise specified may adopt any type of structure for the berth construction.

Design Criteria:

The loading standards for EQ-10 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) B.G. Railway main line loading with impact factor anywhere on wharf (As per Railway Standard).
- ii) 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)
- iii) Uniformly distributed load of 5 tonnes per Sq. Mtrs. on the wharf and on fill behind (IS 4651 Pt.III).
- iv) The deck elements shall also be designed for localized concentrated loads. For this purpose a concentrated load of 20 tonnes with line contact of 1.00 M. is to be considered on a width of 0.20 M.
- v) Loading due to liquid pipelines, loading / unloading arms, fire fighting equipment / Tanks etc.



B) LATERAL LOAD:

- i) Earth pressures:
Due to soil in contact with the structures including the effect of surcharge loading of 5 tonnes per sq.m. behind the berth.

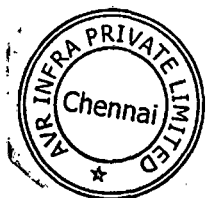
For computation of earth pressure, the soil parameters as per the design soil profile given earlier shall only be followed.
- ii) **Berthing impact.**

A horizontal reaction forces of 240 tonnes minimum on any fender unit as per the design requirements

For locations other than at fenders units, the facia 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 minimum on each of the bollards to act simultaneously on all the bollards of every unit of berth from joint to joint and in conformity with relevant IS /BS codes.
- iv) Breaking forces of 1/40th vertical live load minimum and in conformity with relevant IS/ BS codes.
- 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.

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.
All parameters conform to applicable as per the latest IS / BS codes

2. SUPERSTRUCTURE:

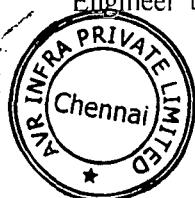
- i) Limit state method of design is adopted and partial safety factors on materials and loads are as follows:
- ii) Partial safety factor for material strength of concrete : 1.5
- iii) Allowable stress in steel:
Under factored load condition – 250 N/mm^2
Under working load condition – 165 N/mm^2
- iv) **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.
 - 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.

All parameters conform to applicable as per the latest IS / BS codes

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) Care shall be taken to provide proper joint treatment between the existing EQ-9 berth and the proposed EQ-10 berth. Suitable arrangement shall be planned, designed, constructed by the Concessionaire and the details shall be submitted to the 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 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 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 reinforced concrete construction.

Design period:

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

Width of the berth:

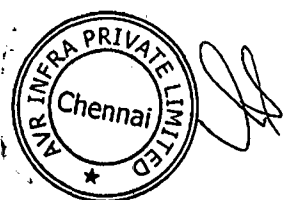
The width of the berth shall be planned with in the available land width of 13 Mtrs.

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.

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.



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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 best industry practice.

Natural Materials:

Physical requirements of earth, gravel, sand and aggregates shall conform to the requirements of the provisions of the relevant Indian Standards.

Natural aggregates when crushed and blended for various uses different size fractions shall be proportioned to form grading conforming to the requirements of the relevant Indian Standards as are relevant to the intended use of the material.

Processed materials:

Cement concrete mixes:

Concrete mixes plain or reinforced shall be design mixes designed in accordance with the provisions of IS 456. Concrete of M-30 grade or higher shall be used for the project except for the leveling course in foundations where 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.

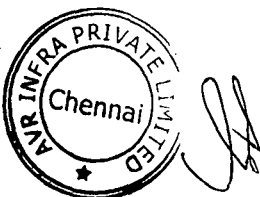
Manufactured materials:

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.

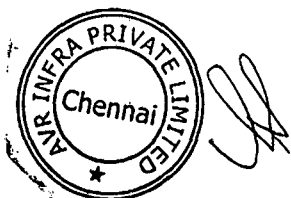


Steel:

High yield strength deformed (HYSD) reinforcing bars of S-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.



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APPENDIX 7

TERMS OF REFERENCE FOR INDEPENDENT ENGINEER

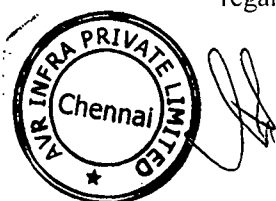
1. Role and functions of the Independent Engineer

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.

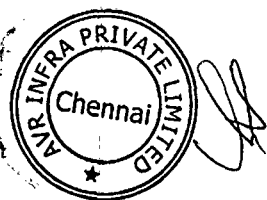
2. Review of Designs and Drawings

- (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 review and send its comments in accordance with this 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 Concessioneing Authority, if any while furnishing the comments.
- (iii) The Independent Engineer shall review the monthly progress reports as regards the Construction Works.

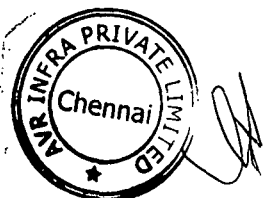


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- (iv) The Independent Engineer shall inspect the Construction Works once every month, preferably after receipt of the monthly progress report from the Concessionaire, but before the 20th (twentieth) day of each month in any case, and make out a report 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.
- (vii) 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 Concessioneing 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 Concessioneing Authority forthwith, identifying the whole or part of the Construction Works that should be suspended for ensuring safety in respect thereof.
- (xi) 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.
- (xii) 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.
- (xiii) 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.



Annexure

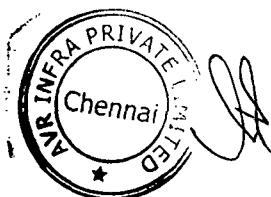
Tests

Project / Construction Requirements, the Tests shall be as per Good Industry Practice shall be stipulated on a project specific basis and listed in this Annexure.

- 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 best industrial 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
 - (ii) 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 equipment 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 provisions of this Agreement. The manual shall generally cover the expected failures and time taken for repairs and maintenance.
- 9) The test procedures shall be followed as per ASTM, BIS, IS
- 10) The Tests 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.

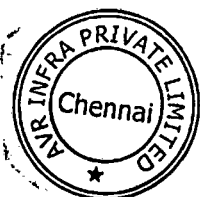
Concessionaire is liable to obtain Applicable Permits as and when required before commencement of the construction works.

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

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

Activity	Authority
Port Limit Notification	Ministry of Shipping
Custom Notification for Part of area proposed to be leased.	Commissioner of Customs.
Environmental Clearance	Prior Environmental clearance from MOEF, New Delhi.



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APPENDIX 9

PERFORMANCE GUARANTEE

(PROFORMA OF BANK GUARANTEE)

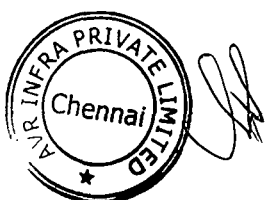
THIS DEED OF GUARANTEE executed on this the --- day of --- at --- by ---
----- (Name of the Bank) having its Head/Registered office at -----
----- hereinafter referred to as "**the Guarantor**" which expression shall unless it be repugnant to the subject or context thereof include its successors and 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(hereinafter referred to as "**the Board**" or "**the Concessioneing Authority**") which expression shall, unless repugnant to the context or meaning thereof include its administrators, successors or assigns.

WHEREAS

- a) The Board, vide its Request for Proposal dated **25-09-2009** ("**the RFP**") invited duly short listed bidders to implement a project envisaging planning, designing, engineering, installation, finance, operation & maintenance of Mechanical Facilities for handling liquid bulk cargo caustic soda lye, edible oils, chemicals and other liquid cargo (excluding POL) at EQ 10 berth in the northern arm of inner harbour of Visakhapatnam Port (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 _____
Ltd. ("the Applicant") and issued the Letter of Intent No **IENG / EE(PROJECTS)/EQ-10 / V /112** dated **01-03-2010**
____ ("LOI") to the Consortium/Applicant requiring, inter alia, the execution of the Concession Agreement, ("**the Concession Agreement**") the draft whereof was provided in the RFP;
- c) Pursuant to the LOI the Applicant/Consortium has promoted and incorporated a special purpose company _____ ("**the Concessionaire**"), to enter into the Concession Agreement for undertaking, inter alia, the work with respect to the Project referred to in Recital (a) above and to perform and discharge all its obligations thereunder.



- 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. 27,690,000 (Rupees twenty seven million six hundred and ninety thousand only) as security for due and punctual performance/discharge of its obligations under the Concession Agreement during the Construction Phase,
- e) At the request of the Concessionaire, and for valid consideration the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance/discharge by the Concessionaire of its obligations under the Concession Agreement during the Construction Phase.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Concession Agreement.
2. The Guarantor hereby irrevocably and unconditionally guarantees the due execution and punctual performance by M/s. _____ ("the Concessionaire") of all its obligations under the Concession Agreement during the Construction Phase.
3. The Guarantor shall, without demur or protest, pay to the Board sums not exceeding in aggregate Rs. 27.69 million (Rupees twenty seven decimal six nine only) within five (5) calendar Days of receipt of a written demand therefor from the Board stating that the

Concessionaire has failed to meet its performance obligations under the Concession Agreement during the Construction Phase. The Guarantor shall not go into the veracity of any breach or failure on the part of the Concessionaire or validity of demand so made by the Board and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Concessionaire or any other Person before any court, tribunal, expert, arbitrator or similar proceedings. The Guarantor's obligations hereunder shall subsist until all such demands of the Board are duly met and discharged in accordance with the provisions hereof. Any such demand made on the Guarantor by the Board shall be conclusive, absolute and unequivocal as regards the amount due and payable by the Guarantor under this Agreement. The Concessioning Authority shall at all times at its sole discretion have the absolute and unconditional right to call upon the Guarantor to pay the amount under the Guarantee.

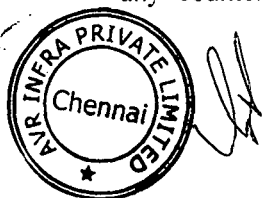
4. In order to give effect to this Guarantee, the Board shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Concession Agreement or other documents or by the extension of time for 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.



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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. 27.69 million (Rupees twenty seven decimal six nine only).
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 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, recoupments, 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

CERTIFICATES COMPLETION CERTIFICATE

1. I, [●] (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Agreement dated [●], for planning, designing, engineering, installation, finance, operation & maintenance of Mechanical Facilities for handling liquid bulk cargo caustic soda lye, edible oils, chemicals and other liquid cargo at EQ 10 berth in the northern arm of inner harbour of Visakhapatnam Port by private sector participation Project 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 successfully undertaken to determine compliance of the Project with the provisions of the Agreement, and I am satisfied that the Project can be safely and reliably placed in commercial service of the users thereof.
2. It is certified that, in terms of the aforesaid Agreement, all works forming part of the Project have been completed, and the Project is hereby declared fit for entry into commercial operation on this the [●] day of [●] 20[●].

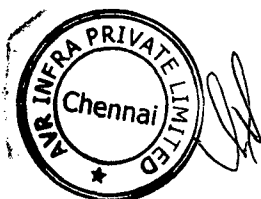
SIGNED, SEALED AND DELIVERED For and on behalf of the INDEPENDENT ENGINEER by:

(Signature)

(Name)

(Designation)

(Address)



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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, designing, engineering, installation, finance, operation & maintenance of Mechanical Facilities for handling liquid bulk cargo caustic soda lye, edible oils, chemicals and other liquid cargo at EQ 10 berth in the northern arm of inner harbour of Visakhapatnam Port by private sector participation Project 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 Concessioneing Authority or due to Force Majeure and the Provisional Certificate cannot be withheld on this account. Though the remaining incomplete works have been delayed as a result of reasons attributable to the Concessionaire, I am satisfied that having regard to the nature and extent of such incomplete works, it would not be prudent to withhold commercial operation of the Project, pending completion thereof.
3. In view of the foregoing, I am satisfied that the Project can be safely and reliably placed in commercial service of the users thereof, and in terms of the Agreement, the Project is hereby provisionally declared fit for entry into commercial operation on this the [●] day of [●] 20[●].

ACCEPTED, SIGNED, SEALED AND
DELIVERED For and on behalf of
CONCESSIONAIRE by:

(Signature)

(Name and Designation)

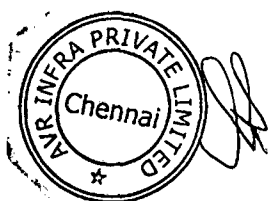
(Address)

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

(Signature)

(Name and Designation)

(Address)

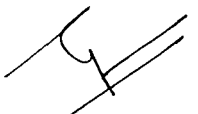
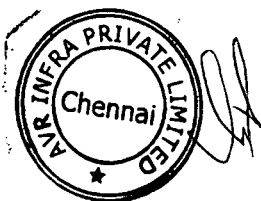


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APPENDIX 11

PERSONNEL AND LABOUR REQUIREMENTS

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



APPENDIX 12

TARIFFS

The Concessionaire may charge fees for the Project Facilities and Services provided in accordance with the Tariff Notification no. 21 dated 24.02.2009 published by TAMP and updated as per indexation on WPI communicated by TAMP vide letter dated 31.03.2009 and subsequent notifications issued by TAMP from time to time in connection with this project. As a ready reference, the relevant extract of the Tariff Notification is as under:

1. BERTH HIRE CHARGES:

Sl. No.	Vessels	Rate per GRT per hour or part thereof	
		Foreign Going Vessel (in Rs.)	Coastal Vessel (in Rs.)
1	Vessels carrying Caustic soda, Bio-diesel, Edible oils and Chemicals	1.34	0.80

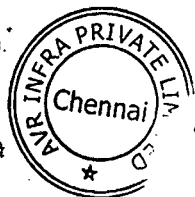
2. LIQUID BULK CARGO HANDLING CHARGES:

Sl. No.	Commodity	Unit	Rate in Rupees	
			Foreign	Coastal
(a)	Caustic Soda	Per Metric Tonne	37.90	22.80
(b)	Bio-Diesel	Per Metric Tonne	37.90	22.80
(c)	Edible Oils	Per Metric Tonne	37.90	22.80
(d)	Chemicals	Per Metric Tonne	37.90	22.80

3. STORAGE CHARGES:

Description	Rate in Rs. per tonne per day
First week after expiry of free period	7.90
Beyond first week	10.00

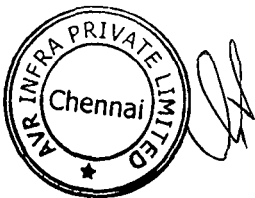
The aforesaid Tariff caps shall be revised every year based on a variation in the Wholesale Price Index ("WPI"). Such revision shall be based on indexation against 60% (sixty percent) of the variation in the WPI for a relevant year beginning 1st January and ending 31st December.



APPENDIX 13

RATES APPLICABLE IN RESPECT OF LAND, UTILITIES AND SERVICES

1. For Land : Schedule of Rates.
2. For utilities & services: Scale of Rates



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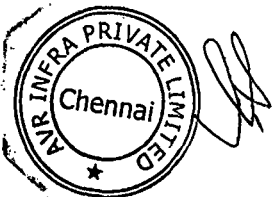
APPENDIX 14

MINIMUM GUARANTEED CARGO

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

Period *	Minimum guaranteed cargo	
1 to 3 years	25% of 1.85 M.T.	0.46 M.T.
4 to 5 years	40% of 1.85 M.T.	0.74 M.T.
Beyond 5 years	60% of 1.85 M.T.	1.11 M.T.

* The period is reckoned from the date of commercial operations.



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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 liquid cargo proposed to be handled at this berth are as follows:

Cargo Category	Indicative Norms
Liquid Bulk	
Caustic Soda	300 tonnes per hour
Edible Oil	300 tonnes per hour
Bio- Diesel & Chemicals	300 tonnes per hour

Weightage in case of a shortfall in meeting the prescribed performance standard – 70%

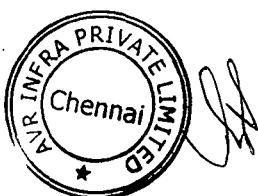
2. Transit Storage Dwell Time:

As per Tariff Notification No. 21 dated 24.02.2009 published by TAMP the following are the Dwell Time for the Liquid bulk cargo:

Import: 7 days

Export: 7 days

Weightage in case of a shortfall in meeting the prescribed performance standard – 30%

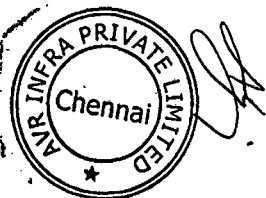


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Performance Evaluation and calculation of liquidated damages:

Performance evaluation shall be made on a quarterly review of the reports furnished by the Concessionaire and/or the records of the Concessionaire and/or by an enquiry by the Concessioneing Authority. 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 $(0.7x + 0.2y + 0.1z)\%$.



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APPENDIX 16

ESCROW AGREEMENT

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

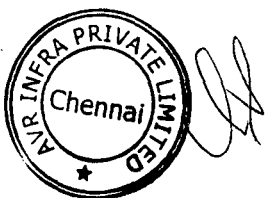
AMONGST

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 hereinafter referred to as **"the Concessioning Authority"** (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

WHEREAS:

- (A) The Concessioning Authority has entered into a Concession Agreement dated [●] with the Concessionaire (the **"Concession Agreement"**) for undertaking the Project (as defined in the Concession Agreement) on build, operate and transfer (BOT) basis. The Lenders have agreed to finance the Project in accordance with the terms and conditions set forth in the Financing Documents.
- (B) The Concession Agreement requires the Concessionaire to establish an Escrow Account, *inter alia*, on the terms and conditions stated therein.

NOW IT IS HEREBY AGREED as follows:



1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

"Agreement" means this Escrow Agreement and any amendment thereto made in accordance with the provisions contained herein;

"Budget" means the budget for construction/implementation expenses relating to the Project / Project Facilities and Services and O&M Expenses submitted by the Concessionaire in accordance with the provisions contained herein;

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

"Escrow Account" means an escrow account established in terms of and under this Agreement, and shall include any sub accounts thereof;

"Escrow Default" shall have the meaning ascribed thereto in Clause 6.1;

"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 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

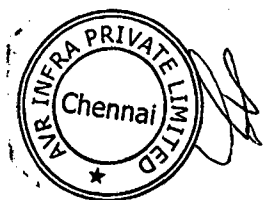
"Quarter" means, any three month period from 1st April to 30th June, 1st July to 30th September, 1st October to 31st December or 1st January to 31st March.

1.2 Interpretation

1.2.1 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.

1.2.2 The words and expressions beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein, and the words and expressions used in this Agreement and not defined herein but defined in the Concession Agreement shall, unless repugnant to the context, have the meaning ascribed thereto in the Concession Agreement.

1.2.3 References to Articles are, unless stated otherwise, references to Articles of this Agreement.



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- 1.2.4 The rules of interpretation stated in Articles 1.3, 1.4 and 1.5 of the Concession Agreement shall apply, *mutatis mutandis*, to this Agreement.

2. ESCROW ACCOUNT

2.1 Escrow Bank to act as trustee

- 2.1.1 The Concessionaire hereby settles in trust with the Escrow Bank a sum of Rs. 100 (Rupees Hundred Only) appoints the Escrow Bank to act as trustee for the 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.

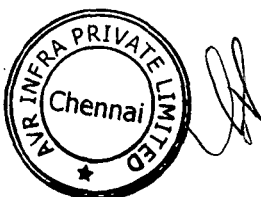
- 2.1.2 The Concessionaire hereby declares that all rights, title and interest in and to the Escrow Account shall be vested in the Escrow Bank and held in trust for the Concessions Authority, the Lenders, the Lenders' Representative and the Concessionaire, and applied in accordance with the terms of 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/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

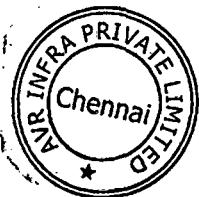
The Parties hereto acknowledge and agree that upon substitution of the Concessionaire with the Selectee, pursuant to the Substitution Agreement, it shall be deemed for the purposes of this Agreement that the Selectee is a Party hereto and the Selectee shall accordingly be deemed to have succeeded to 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.

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.

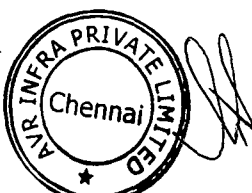
4. WITHDRAWALS FROM ESCROW ACCOUNT

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 :

- (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 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;

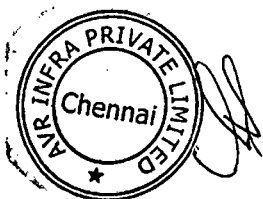
and the Concessionaire shall be at liberty to withdraw any sums outstanding in the Escrow Account after all the aforesaid payments due have been made and / or adequate reserves have been created in respect thereof to the satisfaction of the Lenders and the Concessioneing Authority and the Escrow Agent 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 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.



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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 of this Agreement.

6.1.2 Upon occurrence of an Escrow Default, the consequences thereof shall be dealt with under and in accordance with the provisions of the Concession Agreement.

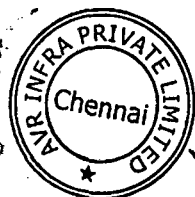
7. TERMINATION OF ESCROW AGREEMENT

7.1 Duration of the Escrow Agreement

This Agreement shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the Concessionaire in respect of the debt, guarantee or financial assistance received by it from the Lenders, or any of its obligations to the Concessioneing Authority remain to be discharged, unless terminated earlier by consent of all the Parties or otherwise in accordance with the provisions of this Agreement.

7.2 Substitution of Escrow Bank

The Concessionaire may, by not less than 45 (forty five) Days prior notice to the Escrow Bank, the Concessioneing Authority and the 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



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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

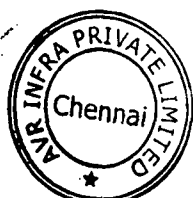
The Lenders' Representative and the Concessionaire shall be entitled to enter into a supplementary escrow agreement with the Escrow Bank providing, inter alia, for detailed procedures and documentation for withdrawals from Escrow Account, creation of sub-accounts pursuant to Clause 4.1.1 and for matters 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



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expense arising out of acts done in discharge of their lawful functions by the Concessioneing Authority, its officers, servants and agents.

- 9.1.3 The Escrow Bank will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Escrow Bank to 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

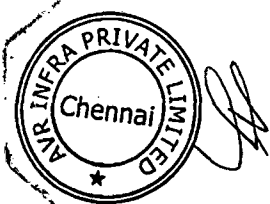
10.1 Governing law and jurisdiction

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.

10.2 Waiver of sovereign immunity

The Concessioneing Authority unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement shall constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Concessioneing Authority with respect to its assets;



- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

10.3 Priority of agreements

In the event of any conflict between the Concession Agreement and this Agreement, the provisions contained in the Concession Agreement shall prevail over this Agreement.

10.4 Alteration of terms

All additions, amendments, modifications and variations to this Agreement shall be effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

10.5 Waiver

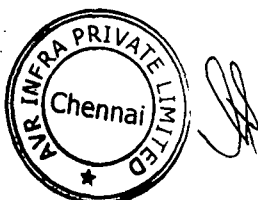
10.5.1 Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (b) shall not affect the validity or enforceability of this Agreement in any manner.

10.5.2 Neither the failure by any Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by any Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

10.6 No third party beneficiaries

This Agreement is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.



10.7 Survival

10.7.1 Termination of this Agreement:

- (a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

10.7.2 All obligations surviving the cancellation, expiration or termination of this Agreement shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Agreement.

10.8 Severability

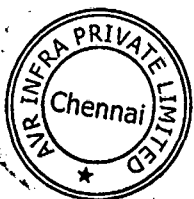
If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 10.1 of this Agreement or otherwise.

10.9 Successors and assigns

This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

10.10 Notices

Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term or related or breach of any term of this Agreement shall be in writing and shall be given by hand delivery, recognized international courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:



A handwritten signature consisting of a stylized 'G' followed by a horizontal line and a diagonal stroke.

Fax No: +91-891-2565023
Email: info@vizagport.com

The MANAGING DIRECTOR

Email: _____

Ltd

Email: _____

_____ Ltd

Email: _____



or such other address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized international courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.

10.11 Language

All notices, certificates, correspondence and proceedings under or in connection with this Agreement shall be in English.

10.12 Authorised representatives

Each of the Parties shall, by notice in writing, designate their respective authorised representatives through whom only all communications shall be made. A Party hereto shall be entitled to remove and / or substitute or make fresh appointment of such authorised representative by similar notice.

10.13 Original Document

This Agreement may be executed in four counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

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

SIGNED, SEALED AND DELIVERED

For and on behalf of CONCESSIONAIRE by:

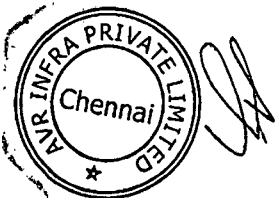
(Signature)

(Name)

(Designation)

(Address)

(Fax No.)



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SIGNED, SEALED AND DELIVERED

For and on behalf of LENDERS by the Lenders' Representative:

(Signature)

(Name)

(Designation)

(Address)

(Fax No.)

SIGNED, SEALED AND DELIVERED

For and on behalf of ESCROW BANK by:

(Signature)

(Name)

(Designation)

(Address)

(Fax No.)

SIGNED, SEALED AND DELIVERED

For and on behalf of Concessioneing Authority by:

(Signature)

(Name)

(Designation)

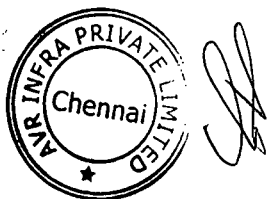
(Address)

(Fax No.)

In the presence of:

1.

2.



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APPENDIX 17

PRE-CONTRACT INTEGRITY PACT

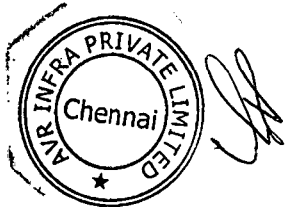
General:

This Integrity Pact is made on this the 16th day of August 2010 between

1. The Board of Trustees for Visakhapatnam Port Trust a body corporate constituted under MPT Act, 1963 (hereinafter referred to as the Concessioneing Authority and the first party) represented by its Secretary and Attorney of the Board which expression shall unless repugnant to the context shall mean and include all its succession, assignees etc., on one part,
And
AVR Infra Private Limited represented by, **Mr. Ajay Kumar Sahoo** (hereinafter referred to as the Concessionaire) which expression shall unless repugnant to the context shall mean and include all its succession, assignees etc., on the other part.
2. Whereas the Concessionaire is a Special Purpose Vehicle constituted in accordance with the relevant law in the matter and the Concessioneing Authority is a Major Port Trust under Ministry of Shipping, the Government of India and whereas the Concessionaire (2nd party) was shortlisted and identified in the bid process to provide/ offer certain services detailed in the bid documents to the Concessioneing Authority (1st party).

Objectives:

3. Now, therefore, the Concessioneing 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 Concessioneing 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



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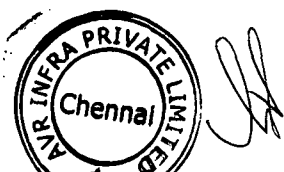
bribing and other corrupt practices and the Concessioneing Authority will commit to prevent corruption, in any form, by their officials by following transparent procedures.

**Commitments of the Concessioneing
Authority**

4. The Concessioneing Authority Commits itself to the following:-
 - 4.1 The Concessioneing Authority undertakes that no official of the Concessioneing 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 Concessioneing 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 Concessioneing 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 Concessioneing Authority with full and verifiable facts and the same is *prima facie* found to be correct by the Concessioneing Authority, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Concessioneing 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 Concessioneing Authority the proceedings under the contract would not be stalled.

Commitments of Concessionaires

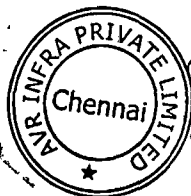
6. The Concessionaire commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it



A handwritten signature, possibly "G", written in black ink.

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 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 Concessioneing 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 Concessioneing 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.



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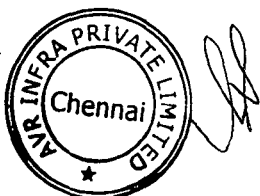
- 6.7 The Concessionaire shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the Concessioneing Authority as part of the business relationship, regarding plans, technical proposals and business details, including information contained 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.
- 7.2.1 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 Bidder 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 Bidder from time to time. The Bank Guarantee that is required to be submitted by the Bidder 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 Bidder shall deposit a Bid Security equivalent to [about 1% (one per cent)] of the Estimated Project Cost, i.e Rs.5.538 million (Rupees five decimal five three eight million only), in accordance with the provisions of this RFP. The Bidder has the option to provide the Bid Security either as a Demand Draft or in the form of a Bank Guarantee, acceptable to the Authority

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 Concessioneing Authority to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

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

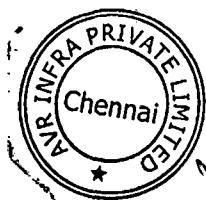
8.6 No interest shall be payable by the Concessioneing Authority to the Concessionaire(s) on Earnest Money / Security Deposit for the period of its currency.

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.

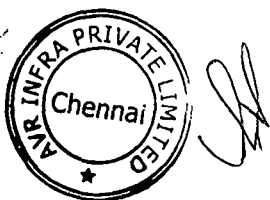
10. Sanctions for Violation

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 Concessioneing 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.
- (ii) The Earnest Money / Security Deposit / Performance Bond shall stand forfeited either fully or partially, as decided by the Concessioneing Authority and the Concessioneing 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 Concessioneing 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 Concessioneing 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 Concessioneing 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 Concessioneing 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.

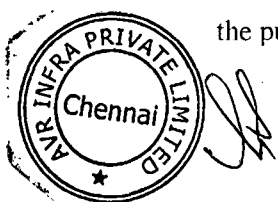


- (ix) If the Concessionaire or any employee of the Concessionaire or any person acting on behalf of the Concessionaire, either directly or indirectly, is closely related to any of the officers of the Concessioneing Authority, or alternatively, if any close relative of an officer of the Concessioneing 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 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.

12. Independent Monitors

12.1 The Concessioneing 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 Concessioneing 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

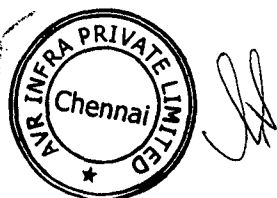
This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Concessioneing Authority i.e. Visakhapatnam, Andhra Pradesh.

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 Concessioneing 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 16th Day of August 2010.

CONCESSIONING AUTHORITY

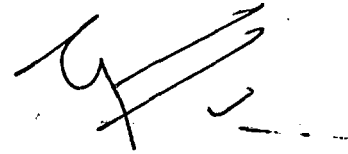
CHAIRMAN

VISAKHAPATNAM PORT

VISAKHAPATNAM

Fax No: +91-891-2565023

Email: info@vizagport.com



Dy. Chairman / **उपप्रमुख**
विशाखपट्टणम पोर्ट ट्रस्ट
Visakhapatnam Port Trust

CONCESSIONAIRE

The DIRECTOR

AVR INFRA PRIVATE LIMITED

"Neeladri", III Floor

9, Cenotaph Road

Alwarpet

Chennai

Fax No. 91-44-4590 2200

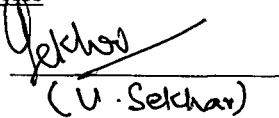
For AVR Infra Private Lim



Authorised Signat

Witness

1.



(U. Sekhar)

2.



(N. Krishnan)

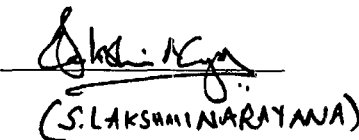
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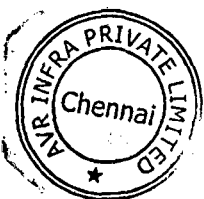


(A. VENU PRASAD)

2.



(S. LAKSHMINARAYANA)



**List of correspondence exchanged between
The Concessionaire and the Concessioneing
Authority related to EQ-10 Berth**



**List of Correspondence Exchanged between the Concessionaire and The
Concessioneing Authority related to EQ-10 Berth**

Sl.No.	Letter No & Date
01.	VPT Letter No.IENG/EE(Proj)/EQ-10/09 Dt.20.07.2009
02.	VPT Letter No.IENG/EE(Proj)/EQ-10/Pt.IV Dt.24.07.2009
03.	VPT Letter No.IENG/EE(Proj)/EQ-10/Pt.IV/168 Dt.20.08.2009
04.	IMC Letter Dt.31.08.2009
05.	VPT Letter No.IENG/EE(Proj)/EQ-10/Pt.IV/188 Dt.03.09.2009 Enc Corrigendum
06.	IMC Letter Dt.05.09.2009
07.	VPT Letter NoIENG/EE(Projects)/EQ-10/Pt.IV/192 Dt.07.09.2009 Enc Corrigendum - II
08.	VPT Letter NoIENG/EE(Projects)/EQ-10/Pt.IV/196 Dt.08.09.2009 Enc Corrigendum - III
09.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.IV/212 Dt.12.09.2009 Enc Corrigendum - IV
10.	VPT Letter No.IENG/EE(Proj)/EQ-10/Pt.IV/210 Dt.14.09.2009 Enc as above
11.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.IV Dt.23.09.2009 Enc Corrigendum - V
12.	IMC Letter Dt.24.09.2010 - Bid Documents along with Power of Attorney
13.	IMC Letter Dt.29.09.2009
14.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.IV/249 Dt.13.10.2009
15.	IMC Letter Dt.26.10.2009 Encl Note on our Quote along with Financial Analysis
16.	IMC Letter Dt.26.10.2009
17.	IMC Letter Dt.28.10.2009 Encl Bank Guarantee
18.	IMC Letter Dt.29.10.2009
19.	IMC Letter Dt.11.12.2009
20.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.IV/371 Dt.21.12.2009
21.	IMC Letter Dt.22.12.2009
22.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V Dt.23.12.2009
23.	IMC Letter Dt.31.12.2009
24.	IMC Letter Dt.31.12.2009
25.	IMC Letter Dt.06.01.2010
26.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V/53 Dt.20.01.2010
27.	IMC Letter Dt.23.01.2010
28.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V/95 Dt.17.02.2010
29.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V/101 Dt.22.02.2010
30.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V/112 Dt.01.03.2010
31.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V/129 Dt.08.03.2010
32.	IMC Letter Dt.08.03.2010
33.	IMC Letter Dt.15.03.2010 Encl - Extended BG
34.	IMC Letter Dt.31.03.2010
35.	IMC Letter Dt.01.04.2010 Encl - IMC Limited Memorandum of Article of Association
36.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.V/171 Dt.01.04.2010
37.	IMC Letter Dt.13.04.2010 Encl. SPV

Contd..02



167

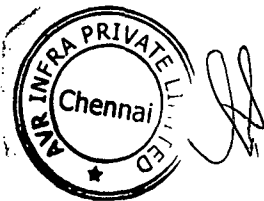
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:: 02 ::

**List of Correspondence Exchanged between the Concessionaire and The
Concessing Authority related to EQ-10 Berth**

Sl.No.	Letter No & Date
38.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.VI/198 Dt.17.04.2010
39.	IMC Letter Dt.19.04.2010
40.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.VI/216 Dt.26.04.2010
41.	IMC Letter Dt.28.04.2010
42.	VPT Letter No.IENG/EE(Projects)/EQ-10/PT.VI/218 Dt.30.04.2010
43.	IMC Letter Dt.03.05.2010
44.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.VI/251 Dt.19.05.2010
45.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.VI/256 Dt.24.05.2010
46.	IMC Letter Dt.11.06.2010
47.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.IV/319 Dt.12.07.2010
48.	IMC Letter Dt.23.07.2010
49.	VPT Letter No.IENG/EE(Projects)/EQ-10/PT.VII/353 Dt.03.08.2010
50.	IMC Letter Dt.05.08.2010
51.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.VII/372 Dt.09.08.2010
52.	IMC Letter Dt.09.08.2010
53.	IMC Letter Dt.10.08.2010 - Change of Address
54.	VPT Letter No.IENG/EE(Projects)/EQ-10/Pt.VII/378 Dt.12.08.2010
55.	IMC Letter Dt.12.08.2010 [Confirmation of C.A. Date]



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A handwritten signature, possibly 'N', written in black ink.



IMC LIMITED

Corporate Office : "NEELADRI", 3rd Floor, No. 9, Cenotaph Road, Alwarpet, Chennai - 600 018.
Tel.: +91-44-4590 2222, 4590 2289. Fax : +91-44-4590 2200, E-Mail : admin@imc.net.in URL : www.imc.net.in

12th Aug 2010

To

The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam - 530 035

Dear Sir,

Sub: Development of Eastern Quay – 10 (Eq-10) in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on DBFOT basis

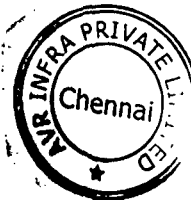
This has reference to your letter No.IENG/EE(projects)/EQ-10/Pt.VII/378 dated 12th Aug 2010.

We wish to inform you that, if convenient to you, we will sign the Concession Agreement on 16th Aug 2010 in the afternoon at Visakhapatnam.

Thanking you,

Yours faithfully
for IMC Limited

Ajay Kumar Sahoo
Vice President – Business Development



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

ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001 PORT

No.IENG/EE(Projects)/EQ-10/Pt.VII/378

Dt. 12-8-2010

To
M/s. IMC Ltd.,
Neeladri, III Floor,
9, Cenotaph Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: (044) 4590 2200

Sir,

Sub: Development of Eastern Quay - 10 (EQ - 10) berth in the Northern
Arm of Inner Harbour of Visakhapatnam Port for handling Liquid
Cargo on 'DBFOT' basis - Reg.

Ref 1. Your letter Dt. 11-06-2010.
2. Your letter Dt. 23-7-2010.
3. Your letter Dt. 10-8-2010.

Please refer to your letters cited.

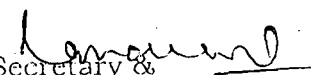
In this connection, it is to inform that the request made by the LEAD Member
M/s. IMC vide letter Dt. 11-6-2010 duly considering the notarized agreement &
clarifications vide your letters Dt. 23-7-2010 and Dt. 10-8-2010 is considered.

Please find enclosed herewith a copy of clarifications to the queries sought by
M/s. IMC vide Annexure - 1.

Also please find enclosed herewith a copy of the DCA in connection with the
subject Project furnished by you duly making necessary corrections wherever necessary
ie., fill up the gaps with respect to M/s. AVR Infra Private Limited, (SPV of M/s. IMC
Limited., and M/s. ITD Cementation India Limited.,) which is verified and found to be in
order. Therefore, it is requested to enter into the Concession Agreement with VPT
immediately.

Further, it is requested to intimate the date on which you are entering in to the
Concession Agreement to enable this office to take necessary further action.

Yours faithfully,


Secretary &
Attorney of the Board

Encl: As above.

Copy to: M/s. IMC Limited, 10-1-30, Waltair Uplands, VISAKHAPATNAM -530 003.

FAX No: 0891 2754137

Encl: As above.

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



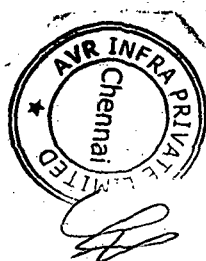
170



Annexure - I

Draft Concession Agreement for EQ-10 Project : List of modifications

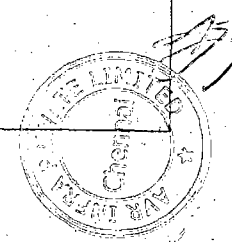
No	Page	Clause No	Clause	Modification Proposed by IMC	Remarks of IMC	VPT Remarks
1	14		Definitions	Liquid Cargo include caustic soda, edible oils, bio-diesel, Class B, Class C liquids other chemicals and other Liquid Cargo (excluding POL)	The inclusion of Class B,C chemicals is in line with the RFP conditions	This modification is already existing in the provisions of the RFP and hence Acceptable. The definition shall be read as, "include caustic soda, edible oils, bio-diesel, Class B&C Chemicals and other chemicals/liquid cargo (excluding POL)"
2	38	7.1 (a) (ii) (a)	Repairs and Maintenance	To be modified per Corrigendum 2 issued by VPT		Acceptable. As per Sl.no.4 of Corrigendum 2 issued by VPT '---Resurveying of pavement, repair of structures and reimbursement of equipments and ---' is corrected as '---repair of structures and reimbursement of equipments and ---'
3	42	7.1 (c) (i) (d)	Obligations of the Concessioneing Authority	Line 2 -- "11.80 m" to be replaced with "12.10 m"	Corrigendum 2 issued by VPT confirms 12.10 m	Acceptable. As per Sl.no.6 of Corrigendum 2 issued by VPT ' -11.80m is corrected as -12.10m.
4	43	7.1 (c) (i) (f)		Line 2 - to add the terms "clause 7.1 (c) (i) (f)"	Corrigendum 2 issued by VPT	Acceptable. As per Sl.no.7 of Corrigendum 2 issued by VPT '--- required in terms of clause 7.1 (c) (i) (b) and 7.1 (c) (i) (d) is corrected as '----- required in terms of clause 7.1 (c) (i) (b), 7.1 (c) (i) (d) and 7.1 (c) (i) (e)'
5	92	Appendix 2	Port's Assets	In #2, the terms "A waterfront of about 160 meters" to be included	Confirmed vide Corrigendum 2 issued by VPT	Acceptable. As per Sl.no.10 of Corrigendum 2 issued by VPT <u>A waterfront of about 160 meters will be added before the word and an area of 30,000sq.m-----</u>



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Draft Concession Agreement for EO-10 Project : List of modifications required by Lenders

No	Page	Clause No	Clause	Modification Proposed by Lender	Remarks	VPT Remarks
6	58	12.2. (c)	Competing Facilities	The portion of text "Provided, this restriction shall not apply to the additional facility envisaged below: (i) to (viii)" is to be deleted	The clause in its present form implies that bio diesel and biodiesel products can be handled at all the listed terminals, which is contradictory to the basic intent of the clause. This was debated in detail during the meeting chaired by Dy.Chairman on 3-5-2010 and it was agreed that the clause would be examined and modified to reflect the actual intent.	Since this is an addition after the bidding process and the same being not acceptable to the bidder since incorporated after the bidding stage and also that the deletion of this new inclusion has no effect on the subject clause, in view of the facility being a liquid cargo handling facility, the deletion of the same is acceptable.
7	76	17.1 (b)	Termination	The terms "After the Date of Commercial Operation" is to be deleted	Request for change from the lenders. Lenders are concerned that there is no compensation payable during the construction phase	This is a deviation from the standard document and hence not acceptable to VPT.
8		Appendix 9	Performance Guarantee – Proforma of Bank Guarantee	The following standard clause to be added in the BG: "Notwithstanding anything contained herein: a) our liability under this Bank Guarantee shall not exceed Rs. _____ (Rupees _____ only); b) this Bank Guarantee shall be valid up to _____; and c) we are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before _____ (date of expiry of Guarantee)."	Lenders have requested for insertion of this clause as this is a standard clause in the BGs	This is a deviation from the standard document and hence not acceptable to VPT.
9				Wherever SBI PLR is referred to, it may be replaced with SBI Base Rate	SBI Base Rate has come into effect from 1 July 2010 and hence the request by Lenders	As per the practice in vogue, the same is acceptable.





IMC LIMITED

Corporate Office : "NEELADRI", 3rd Floor, No. 9, Cenotaph Road, Alwarpet, Chennai - 600 018.
Tel.: +91-44-4590 2222, 4590 2299, Fax : +91-44-4590 2200. E-Mail : admin@imc.net.in URL : www.imc.net.in

10 August 2010

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam-530 035

Fax: 0891-2565023

Dear Sir,

Sub: Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis – Intimation of Change of Address of our Corporate Office

This is to inform that we have shifted our Corporate Office to the address mentioned below:

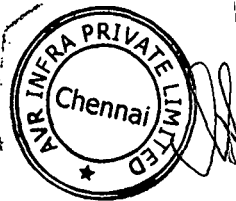
IMC Limited
Neeladri, III Floor
9, Cenotaph Road
Alwarpet
Chennai 600 018
India
Tel: (044) 4590 2222 / 4590 2299
Fax: (044) 4590 2200
www.imc.net.in

We request you to henceforth send all correspondence to the above address.

Yours truly,
for IMC Limited

N Krishnan
Sr. Manager-Business Development

11 AUG 2010





IMC LIMITED

Corporate Office : "NEELADRI", 3rd Floor, No. 9, Cenotaph Road, Alwarpet, Chennai - 600 018.
Tel.: +91-44-4590 2222, 4590 2299, Fax : +91-44-4590 2200, E-Mail : admin@imc.net.in URL : www.imc.net.in

9-Aug-2010

The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam 530 035

Dear Sir

Sub: Development of Eastern Quay-10 (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on DBFOT basis – Clarification to your query on the Joint Letter of Undertaking submitted by us

This is with reference to your e-mail dated 7/8/2010.

As informed during the earlier discussions, the new Foreign Direct Investment (FDI) policy guidelines are not clear as to whether specific government permission is required to be obtained by FDI companies for making downstream investment. Our consortium member has already taken steps to have this issue clarified and the acquisition of the equity in the SPV will be completed as soon as the same is completed.

We hereby clarify that our intent is to obtain all necessary permissions or approvals, if required, from all necessary authorities and complete the entire exercise in respect of acquiring 26% of equity in the SPV within 60 days from the date of execution of Concession Agreement.

Thanking You

Yours truly,

for IMC Limited

Ajay Kumar Sahoo
Vice President-Business Development

10/8/10
प्राप्ति कलर्क
RECEIPT CLERK
न्या प्रशासनिक विभाग
Administration Department
खपडुगम पोर्ट ट्रस्ट
VISAKHAPATNAM PORT TRUST



WIND MAIL
SPEED POST

विशाखापट्टणम पोर्टन ट्रस्ट / अभियंता विभाग
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001 PORT

No. IENG/EE(Projects)/EQ-10/PL.VII/372

Dt. 9-8-2010

To
M/s. IMC Ltd.,
Corporate Office.: 3rd, Kasturba Range Road,
Alwarpet.
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Sir,

Sub: Development of Eastern Quay - 10 (EQ - 10) berth in the Northern
Arm of Inner Harbour of Visakhapatnam Port for handling Liquid
Cargo on 'DBFOT' basis - Reg.

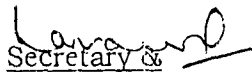
Ref: Your letter dated 23-07-2010.

Please refer to the Joint Notarized Affidavit submitted by you.

In this regard, the following are the comments from VPT's Law section.
At the end of the first para at page 1 and at the end of the 2nd line of the 2nd para at
page 2 the words "on receipt of Govt. Approval, if required" were issued. From the said
usage, it is clear whether the executants mean or intend that unless the Govt. Approval
is received the acquisition can not be or will not be done. Or that they would invariably
obtain all necessary permission or approvals if required from all necessary authorities
and complete the entire exercise in respect of acquiring 26% of equity in the SPV with in
60 days from the date of execution of Concession Agreement.

Therefore, a clarification is required to be submitted from the lead member on the
above so as to examine the matter further".

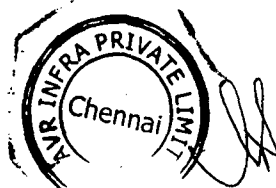
Yours faithfully,


Secretary &
Attorney of the Board

Copy-to: M/s. IMC Limited, 10-1-30, Waltair Uplands, VISAKHAPATNAM -530 003.

FAX No: 0891 2754137

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



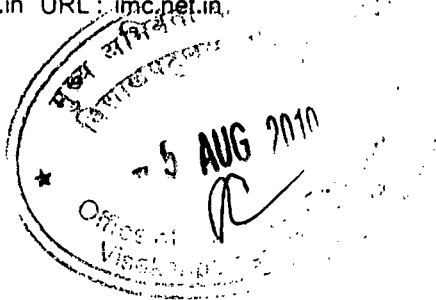
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IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

Dt. 05th August, 2010



To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

Sir,

Sub : Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on DBFOT basis – reg.

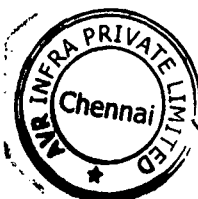
We are in the final stage of finalization of Draft Concession Agreement. We request for the following changes / modifications as required by our vendors.

We will be submitting the Agreement duly printed on non-judicial stamp paper as required by you in the RFP, immediately on hearing from you.

Thanking you,

Yours faithfully
for IMC Limited

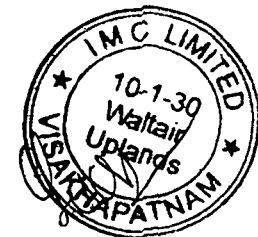
Authorized Signatory

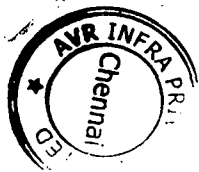




Draft Concession Agreement for EQ-10 Project : List of modifications

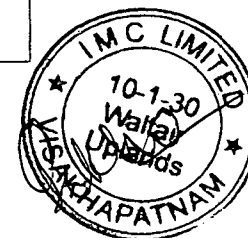
No	Page	Clause No	Clause	Modification	Remarks
1	14		Definitions	Liquid Cargo include caustic soda, edible oils, bio-diesel, Class B, Class C liquids other chemicals and other Liquid Cargo (excluding POL)	The inclusion of Class B,C chemicals is in line with the RFP conditions
2	38	7.1 (a) (ii) (a)	Repairs and Maintenance	To be modified per Corrigendum 2 issued by VPT	
3	42	7.1 (c) (i) (d)	Obligations of the Concessioneing Authority	Line 2 – “11.80 m” to be replaced with “ 12.10 m ”	Corrigendum 2 issued by VPT confirms 12.10 m
4	43	7.1 (c) (i) (f)		Line 2 – to add the terms “clause 7.1 (c) (i) (f)”	Corrigendum 2 issued by VPT
5	58	12.2. (c)	Competing Facilities	The portion of text “ Provided, this restriction shall not apply to the additional facility envisaged below: (i)to (viii) ” is to be deleted	The clause in its present from implies that bio diesel and biodiesel products can be handled at all the listed terminals, which is contradictory to the basic intent of the clause. This was debated in detail during the meeting chaired by Dy.Chairman on 3-5-2010 and it was agreed that the clause would be examined and modified to reflect the actual intent.
6	92	Appendix 2	Port's Assets	In #2, the terms “ A waterfront of about 160 meters ” to be included	Confirmed vide Corrigendum 2 issued by VPT





Draft Concession Agreement for EQ-10 Project : List of modifications required by Lenders

No	Page	Clause No	Clause	Modification	Remarks
7	76	17.1 (b)	Termination	The terms "After the Date of Commercial Operation" is to be deleted	Request for change from the lenders. Lenders are concerned that there is no compensation payable during the construction phase
8		Appendix 9	Performance Guarantee – Proforma of Bank Guarantee	The following standard clause to be added in the BG: "Notwithstanding anything contained herein: a) our liability under this Bank Guarantee shall not exceed Rs. _____ (Rupees _____ only); b) this Bank Guarantee shall be valid up to _____ ; and c) we are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before _____ (date of expiry of Guarantee)."	Lenders have requested for insertion of this clause as this is a standard clause in the BGs
9				Wherever SBI PLR is referred to, it may be replaced with SBI Base Rate	SBI Base Rate has come into effect from 1 July 2010 and hence the request by Lenders



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



ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001 PORT
No.IENG/EE(Projects)/EQ-10/Pt.VII/3
Dt. 3-8-2010

To
M/s. IMC Ltd.,
Corporate Office, : 39, Kasturi Range Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT
FAX No: 91 44 2466 1738

Sir,

Sub: Development of Eastern Quay - 10 (EQ - 10) berth in the Northern
Arm of Inner Harbour of Visakhapatnam Port for handling Liquid
Cargo on 'DBFOT' basis - Reg.
Ref: Your letter dated 23-07-2010.

Please refer to your letter cited.

In this regard, the DCA forwarded to you needs to be filled up from your end and
has to be furnished to VPT duly communicating the date for entering in to Agreement to
enable VPT to take further necessary action.

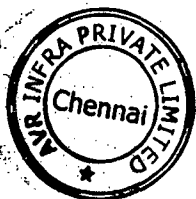
*Recd on
06/8/2010*

Yours faithfully,

[Signature]
Secretary &
Attorney of the Board

✓ Copy to: M/s. IMC Limited, 10-1-30, Waltair Uplands, VISAKHAPATNAM -530 003.
FAX No: 0891 2754137

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





IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

23rd July, 2010

The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam

Dear Sir,

Sub : Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on DBFOT basis – Submission of Joint Undertaking – Reg.

Ref : Your letter No.IENG/EE(Projects)/EQ-10/Pt.IV/319, Dated 12.07.2010

With reference to your letter cited above, please find enclosed the Joint Notarised Affidavit duly undertaking that the consortium member ITD Cementation India Ltd., shall acquire not less than 26 percent equity in the SPV within 60 days from the date of signing the Concession Agreement.

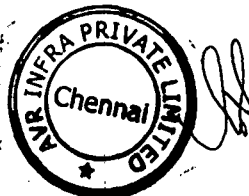
We request you to finalize DCA and confirm suitable date for signing of the agreement.

Thanking you,

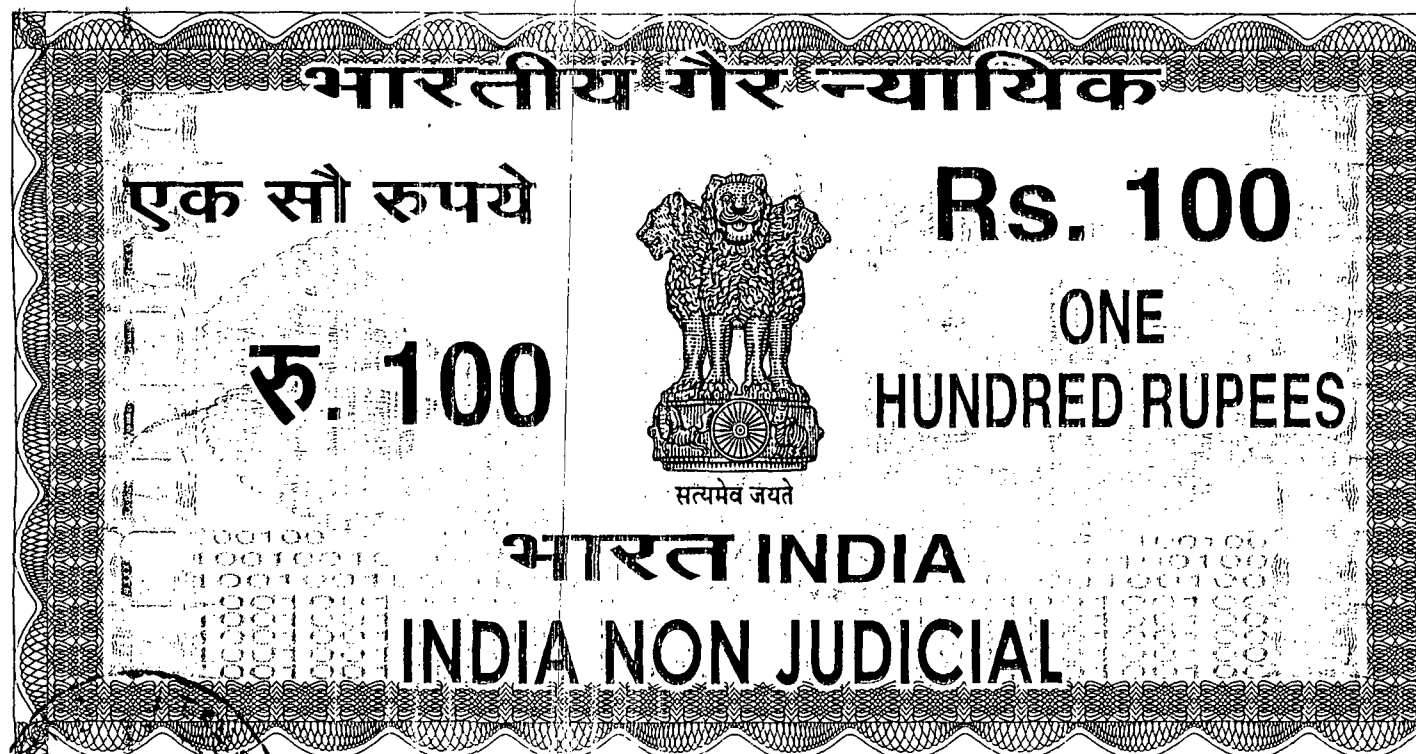
Yours truly,
for **IMC Limited**

Authorized Signatory

23/7/10
RECEIPT CLERK
General Administration Department
VISAKHAPATNAM PORT TRUST



179



தமிழ்நாடு மிலநாடு TAMILNADU

R 602541



24 JUN 2010

IMC Limited

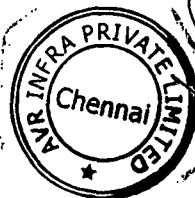
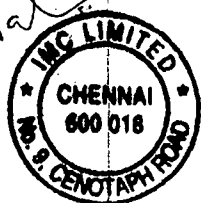
V. THIRUVENGADA
STAMP VENDOR
L No C-13531/78
37, K B DASAN ROAD
CHENNAI-600 018

Joint Undertaking Issued in favour of the Visakhapatnam
Port Trust [Concessioneing Authority]

We,

1. IMC Limited
2. ITD Cementation India Limited

The consortium Members who have participated and stood successfully in the bids invited for "Development of EQ-10 Liquid Berth in the Northern Arm of Inner Harbour on DBFOT Basis" do hereby undertake, declare and confirm that the 1st amongst us being the lead member in the Consortium has incorporated a SPV in the name and style "M/s AVR Infra Private Limited" for the purpose of execution of the above project.



ATTESTED
NOTARY
VISAKHAPATNAM
ANDHRA PRADESH
INDIA

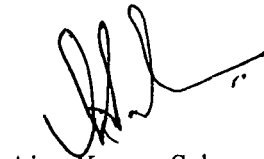


180

Whereas in terms of the RFQ, RFP and L.O.A. the consortium members should hold invariably an equity of not less than 26% in the SPV. But due to delay in certain administrative formalities the 2nd amongst us has yet to acquire the said 26% in the SPV. Hence this undertaking, assuring the Concessioning Authority that the 2nd amongst us shall acquire the said equity in terms of the RFP, RFQ, L.O.A., on receipt of Government approval, if required.

Now we the above named consortium members through our Authorized Signatories do hereby verify, confirm, undertake and assure that the 2nd amongst us shall acquire, on receipt of Government approval, if required, not less than 26% of the equity in the SPV within 60 days from the date of Signing of Concession Agreement failing which we shall hold ourselves liable for any consequential decisions or acts of the Concessioning Authority (VPT) in terms of RFQ, RFP, LOA or other correspondence in this regard.

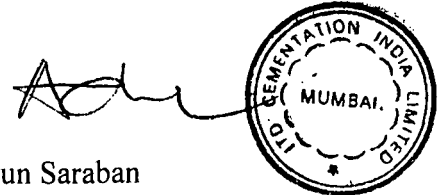
for IMC Limited



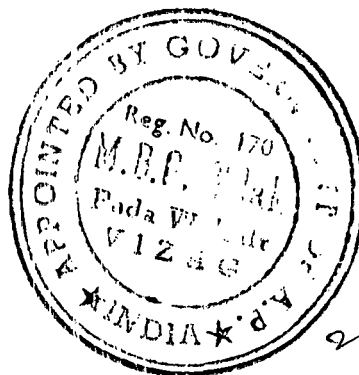
Ajay Kumar Sahoo
Vice President – Business Development

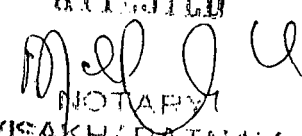


for ITD Cementation India Limited

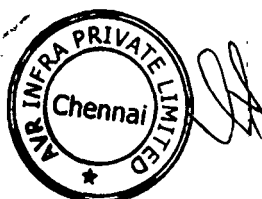


Adun Saraban
Managing Director



ATTESTED

NOTARY
VISAKHAPATNAM
ANDHRA PRADESH
INDIA

M. B. G. TILAK
ADVOCATE & NOTARY
D. No. 1-1-116, Pedawaltair
Beside Rama Lakshmi Apartments
VISAKHAPATNAM-3



विशाखापट्टणम पोतन त्वासा /अभियंता विभाग
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO14000 PORT
OHSAS 18001 PORT

No. IENG/EE(Projects)/EQ-10/Pl.IV/319
Dt. 12-7-2010

To
M/s. IMC Ltd.,
Corporate Office: 39, Kasturi Range Road,
Alwarpet,
CHENNAI - 600 018.

✓ ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Sir,

SUB: Development of Eastern Quay - 10 (EQ - 10) berth in the Northern
Arm of Inner Harbour of Visakhapatnam Port for handling Liquid
Cargo on 'DBFOT' basis - Subscription of equity by consortium
partner ITD Cementation India Ltd.- Reg.

Ref: Your letter dated 11-06-2010.

With reference to your letter cited it is to inform that in terms of the RFQ, RFP
and other bid documents, the member of the consortium should hold a equity of not
less than 26% in the SPV/Concessionaire.

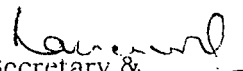
In this connection it is to inform that you have assured that the lead member of
the consortium M/s. IMC Ltd. and the other consortium member M/s. ITD Cementation
India Ltd. shall hold an equity of 74% and 26% respectively in the SPV/Concessionaire.

As the matter stood thus, through the reference cited you have requested a time
of 60 days from the date of agreement for acquisition of 26% equity by ITD Cem. in AVR
infra Pvt. Ltd. stating that there was a change in FDI policy and promotion (DIPP).

The subject issue was referred to the Transaction Advisor M/s. Feedback
Ventures who observed that "the grounds on which the extension is sought is not
correct, since acquiring 26% equity shares of the SPV by consortium member would fall
under automatic route of FDI guidelines and there is no need of any prior approval".

In view of the above, you are required to furnish a joint notarised Affidavit (by
consortium members) duly undertaking to acquire the equity in the SPV as detailed
here in above within 60 days from the date of entering into the concession agreement
failing which AVR shall reserve the right to proceed against you for breach of agreed
terms of contract as contained in the bid documents which includes
cancellation/termination of the bid.

Yours faithfully,

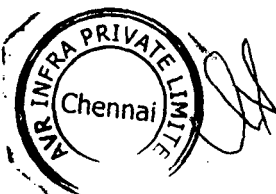

Secretary &

Attorney of the Board

✓ Copy to: M/s. IMC Limited, 10-1-30, Waltair Uplands, VISAKHAPATNAM -530 003.

FAX No: 0891 2754137

Recd by M/s. IMC Ltd.
on 13/7
He
13/7







IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

Dated : 11th June, 2010

The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam 530 003

Dear Sir

Sub: Development of Eastern Quay -10 (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on DBFOT basis- Subscription of equity by consortium partner ITD Cementation India Ltd.

Ref: Your letter No.IENG/EE(Projects)/EQ-10/Pt-VI/256, dated 24-5-2010.

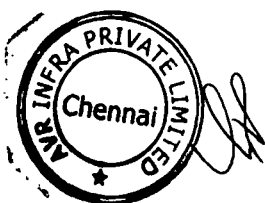
We refer to the various discussions we had in respect of the acquisition of 26 percent shareholding by ITD Cementation India Ltd (ITD Cem) in AVR Infra Private Ltd, the SPV incorporated for implementing the EQ-10 Project.

ITD Cem is keen to acquire the 26 percent shareholding in the SPV. However, ITD Cem has represented that there are new Government policies and guidelines that need to be complied with before they can complete the equity investment in the SPV:

- ITD Cem is a company incorporated in India, however, 69 percent of the shareholding is held by Ital Thai Development Public Company, Thailand and hence they would fall under the ambit of the Foreign Direct Investment (FDI) policy.
- The recent Consolidated FDI policy effective April 1, 2010, issued by the Department of Industrial Policy & Promotion (DIPP) has directed that Indian companies controlled by non-residents would have to comply with certain new conditions when they acquire equity in other Indian companies.
- Under the FDI policy, the companies would be classified into three types – (1) Operating companies (2) Operating-cum-Investing companies (3) Investing companies. ITD Cementation India Ltd would fall under the classification of “operating-cum-investment” companies. According to the new FDI policy, such companies, while making any downstream investment, i.e acquiring equity in other Indian companies, should bring in the investment from abroad and must not leverage funds from the domestic market.

As the new policy has been issued only in April 2010, ITD Cem is studying the implications and ascertaining whether they have to get clarification from the DIPP or other authorities to make the investment in the SPV, complying with the applicable laws.

Contd..02



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IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

:: 02 ::

In view of the above, we request you to grant time of 60 (sixty) days to enable ITD Cem resolve the issue and complete the SPV formalities. In the meanwhile, we request that the Concession Agreement be executed, so that we can proceed with the other project related activities.

We are enclosing herewith a Letter of Undertaking from ITD Cementation India Ltd, confirming that they will complete the SPV formalities within 60 days from the Date of Agreement.

We therefore request your good selves to allow the lead partners M/s IMC Limited to sign the contract to enable speed up of the project which has already been delayed considerably.

We are once again enclosing the Certificate of Incorporation and the MOA and 'AOA' of M/s AVR Infra for your information.

We request for finalizing the Draft Agreement and arrange for signing of the same at the earliest.

Thanking you,

Yours faithfully
for **IMC Limited**

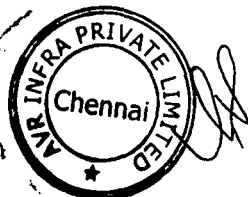
Authorized Signatory

Encl : ITD Cementation India Limited [Original Letter]

AVR Infra Pvt Limited

- 1) Certification of Incorporation
- 2) Memorandum of Association & Article of Association

Copy to : Dy. Chairman, VPT
Chief Engineer, VPT
FA & CAO., VPT



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ITD Cementation India Limited

Deputy Chairman
Visakhapatnam Port Trust
Visakhapatnam 530 005

Registered Office Danl Wooltex Compound, 158, Vidyanagari Marg, Kalina, Santacruz (East) Mumbai 400098 India

Phone +91 22 67680600
Fax +91 22 67680841
Email Rc.daga@itdcem.co.in

Date
8th June, 2010

Our Reference No

Our Contact

ADUN SARABAN

Direct Line

+91 22 67680803

Dear Sir,

Sub: Development of EQ-10 Liquid Berth in the Northern Arm of Inner Harbour on DBFOT basis - Letter of Undertaking.

This is with reference to your letter No.IENG/EE(Projects)/EQ-10/Pt-VI/256, dated 24-5-2010.

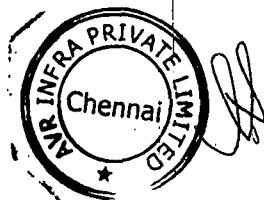
We confirm that M/s. AVR Infra Pvt. Ltd., Corporate Identification No.U60300TN2010PTC075185 (hereinafter referred to as the "SPV"), incorporated and presently 100 percent owned by the Lead Member, IMC Limited, is deemed as jointly incorporated by the Lead Member and us as the SPV for the purpose of undertaking the above Project and we request your approval and acceptance of the SPV as the contracting Party for the Concession Agreement in respect of the above mentioned Project.

We undertake to subscribe for or acquire 26 percent of the equity share capital of the SPV within 60 (sixty) days from the Date of signing the Concession Agreement between you and the SPV on receipt of the necessary approval from Government.

Yours faithfully
for ITD Cementation India Limited

(ADUN SARABAN)
MANAGING DIRECTOR

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**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
AVR INFRA PRIVATE LIMITED**





प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U60300TN2010PTC075185

2009 - 2010

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

AVR INFRA 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 तीस मार्च दो हजार दस को मेरे हस्ताक्षर से चैन्नई में जारी किया जाता है।

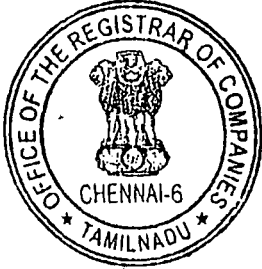
Form 1
Certificate of Incorporation

Corporate Identity Number : U60300TN2010PTC075185

2009 - 2010

I hereby certify that AVR INFRA PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is private limited.

Given under my hand at Chennai this Thirtieth day of March Two Thousand Ten .



V. Elango

(V ELANGO VAN)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

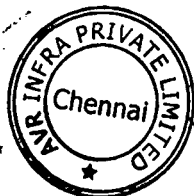
Mailing Address as per record available in Registrar of Companies office:

AVR INFRA PRIVATE LIMITED

39, KASTURI RANGA ROAD, ALWARPET,

CHENNAI - 600018,

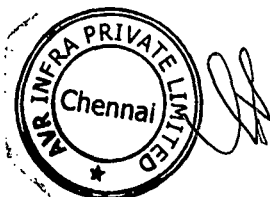
Tamil Nadu, INDIA



The Companies Act, 1956
(Company Limited by Shares)
MEMORANDUM OF ASSOCIATION
OF

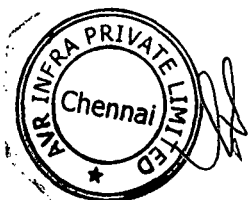
AVR INFRA PRIVATE LIMITED

- I. The Name of the Company is **AVR INFRA PRIVATE LIMITED**
- II. The Registered Office of the Company will be situated in the State of Tamilnadu.
- 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 create infrastructure facilities such as storage, terminal and design, engineer, construct, operate, maintain, market, common user Liquid Terminal to handle, store and deal in liquid cargoes on Design, Build, Fund, Operate and Transfer (DBFOT) basis.
 2. To design, engineer, fund, develop, construct, operate, maintain, market, and transfer the East Quay-10 (EQ-10) Terminal (to Visakhapatnam Port Trust) at the end of the concession period and to receive, dispatch, transfer, handle, store and deal in liquid cargoes.
 3. To develop, create, construct, maintain, supervise, market and handle Marine facilities such as berth and related Off shore facilities, storage tanks and pipelines, fire protection systems, safety and pollution control equipments and systems and render all relevant services such as handling of cargo, storage and related operations and provide security arrangements.
 4. To develop an all weather, deep water berth, common user terminal comprising berths, pipelines, storage areas, tankage, items of equipment, plant and any other facilities to be created and managed.



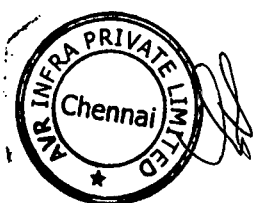
(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE :-

1. To buy, refine, manipulate, import, indent and deal in all substances, apparatus and things capable of being used in any such business as aforesaid and in particular anything that may be required by any customer or person having dealing with the Company either in wholesale, retail or as commission.
2. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods and materials from time to time belonging to the Company.
3. To purchase, take on lease or licence or in exchange, hire or otherwise any real and/or personal property and any rights or privileges and advantages of any kind whatsoever which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company, and in particular, any land (freehold, leasehold or other tenure) tenements, buildings, easement, machinery plant and stock-in-trade and on any such lands to erect buildings, factories, sheds, godowns or other structures for the works and purposes of the Company and also for the residence and amenity of its employees staff and other workmen and erect and install machinery and plant and other equipment deemed necessary or convenient or profitable for the purposes of the Company and either to retain any property to be acquired for the purposes of the Company's business or to re-sell, mortgage, let on lease or otherwise deal with to turn the same to account as may seem expedient.
4. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents patent rights, trade marks, formulas, licences, concessions, and the like conferring any exclusive or non-exclusive or limited right to use, or 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 calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired.
5. To adopt such means of making known as articles, goods, products, appliances, manufactured or dealt in by or at the disposal of the Company as may seem expedient.
6. To adopt direct distribution or to appoint managers, engineers, contractors, brokers, canvassers, agents and other persons and to establish and maintain agencies or branches in any part of India or elsewhere for the purposes of the Company and to discharge and to discontinue the same.



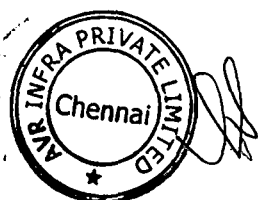
A handwritten signature, possibly "G", written in ink.

7. To expend money on experimenting upon and testing and improving to securing any process or processes, patent or patents, or protecting any invention or inventions which the company may acquire or propose to acquire or deal with.
8. To execute any trusts, which may seem to the company desirable and either gratuitous or otherwise.
9. To create any subscription fund, sinking funds, reserve funds, insurance funds, or any other special funds whether for repairing, improving, extending, or maintaining any of the property of the Company or for any other purpose conducive to the interest of the Company or the staff or labour or for any development fund.
10. To sell, lease, mortgage, grant licences, easements, and other rights, over and in any other manner whatsoever to transfer deal with or dispose of the undertaking, property, assets, rights and effects of the Company, or any part thereof, for such consideration, as the Company may think fit and, in particular, for shares, stocks, debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Company.
11. To apply, tender, purchase or otherwise acquire any contracts, sub-contracts, licences and concession for or in relation to object or business herein-mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise term to account the same.
12. Subject to the provisions of the act, to amalgamate, enter into partnership or make any agreement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession or for limiting competition, with any individual, person or company carrying or engaged in, or about to carry on or engaged in any business or transaction which the company is authorised to carry on.
13. To purchase or otherwise, acquire and undertake the whole or any part of the business, property, rights and liabilities of any person, firm or company, carrying on or proposing to carry on any business which this company is authorised to carry on, or possessed of the property or rights, suitable for any of the purposes of the company, and to purchase, acquire, sell and deal in property, shares, stocks, debenture-stocks of any such person, firm or company and to conduct, make or to carry into effect any arrangement in regard to the winding up of the business of any such person, firm or company.
14. To establish or promote or concur or be interested in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company of and to transfer to any such company and property of the company and to place or guarantee the placing of underwrite, subscribe for or otherwise, acquire all or any part of the share, debentures or other



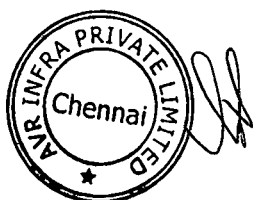
securities of any such other company and to subsidise or otherwise assist any such other company.

15. To acquire, purchase, take over and/or amalgamate business of companies which, under existing circumstances, from time to time may conveniently or advantageously to be combined with the business of the company to amalgamate with companies whose business are so acquired, purchased or taken over and/or to enter into agreements with the object of acquisition of such undertakings and/or business, having objects similar to those of this company.
16. To open current or fixed accounts with any bank, bankers, shroff, or merchant and to pay into, and draw money from such accounts and to negotiate loans, to operate, to give instructions as may be desired necessary for the operation of such account, to draw, accept, endorse, discount, buy, sell, and deal in bills of exchange, promissory notes, bonds, debentures, coupons, and other negotiable or transferable instruments and securities.
17. To borrow or raise money and secure and discharge any debt or obligation binding on the company in such manner as may be thought fit, and in particular, by mortgages of the undertaking and all or any of the immovable and movable property (present or future) and the uncalled capital of the company or by the creation and issue, on such terms as may be thought expedient, debentures, or debenture-stock, perpetual or otherwise, or other securities of any description.
18. To make advances of such sum or sums of money upon or in respect of or for the purpose of raw materials, goods, machinery, stores or any other property, articles and things required for the purposes of the Company upon such terms with or without security, as the Company may deem expedient.
19. To appoint agents and constitute branches and agencies of the Company in India or any part of the world. In the matters and for the purposes aforesaid to act solely or jointly with any other person, company, corporation or body as the circumstance may require.
20. To pay for any property or rights acquired by the Company either in cash or by the allotment of fully or partly paid up shares of this Company with or without preferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.
21. To manage land, buildings and other property both movable and immovable whether belonging to the Company or not and to collect rents and income and to supply to tenants and occupiers, attendants, servants, waiting rooms, reading rooms and other conveniences.



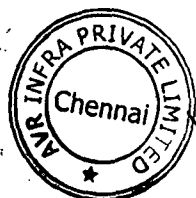
A handwritten signature or mark, possibly a stylized 'G' or 'H', located in the bottom right corner of the page.

22. To employ experts to investigate and examine into the condition, management, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any assets property or rights.
23. To provide for and furnish or secure to any members or customers of the Company or to any subscribers to or purchasers or possessors of any publication of the Company, or of any coupons or tickets, issued with any publication of the Company, any conveniences, advantages, benefits or special privileges which may seem expedient and either gratuitously or otherwise.
24. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident, pension, or superannuation funds or any other funds for the welfare and benefit of, and give or procure the giving of donations, gratuities, pension, allowances or emoluments of any other pecuniary aid to any person who are or were at any time in the employment or service of the Company or who are or were at any time the Directors or Officers of the Company and the wives, widows, families and dependents of any such persons, and also establish and subsidise and subscribe to any institution, associations, clubs or funds calculated to the benefit of or to advance the interests and well being of the Company and make payments to or towards the insurance of any such person as aforesaid and to any of the matters aforesaid either alone or in conjunction with any other Company.
25. To give to any officers, servants or employees of the Company and share or interest in the profits of the Company's business or any branch thereof, and whether carried on by means or through the agency of any subsidiary company or not, and for that purpose to enter into agreements the Company may think fit.
26. To train or pay the training in India or abroad of any of the Company's employees or any candidate in the interest of for the furtherance of the Company's objects.
27. To establish, provide, maintain and conduct of otherwise, subsidise research laboratories and experimental workshops for scientific and technical researches and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations and inventions by providing subsidising, endowing, of assisting, laboratories, work-shops, libraries, meetings, lectures and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grant to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and investigation of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

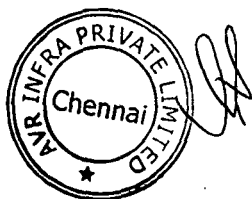


Handwritten signature or mark.

28. To improve, manage, develop, exchange, lease, mortgage, dispose of or turn to account, or otherwise deal with all or any part of the property and rights of the Company.
29. To acquire from any person, firm or body corporate whether in India or elsewhere technical information, know-how, processes, engineering, manufacturing and operating data, plans, layouts and blue prints useful for the design, erection and operation of plant required for any of the business of the Company and to acquire any grant of licence and other rights and benefits in the foregoing matter and things.
30. To enter into collaboration arrangement to acquire technical know-how and/or any financial assistance and/or to acquire any plant or machinery and/or to manufacture and/or fabricate and/or produce and/or assemble any plant and/or machinery and/or equipment under any such agreement.
31. To enter into any arrangement with any Government or authority, central, state, local or foreign or public body, or person or authority or from any private individual that may seem conducive to the Company's objects or any of them and to obtain from any such Government, authority, person or company any concession, grants, decrees, rights, charters, contracts, licences, powers and privileges, whatsoever which may seem to the Company capable of being carried on in connection with its business, and to work, develop, carry out, exercise and turn to account the same.
32. To give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and other having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantee and indemnities.
33. To enter into, make and perform contracts of every kind and description, agreement and arrangement with any person, firm, association, corporation, municipality, country, state body or Government or colony or dependency thereof.
34. To apply for, promote and obtain any statute order, regulation, other authorisation or enactment which may seem calculated directly or indirectly to benefit the Company and to oppose any bills, proceedings, or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
35. To establish competitions in respect of contributions or information suitable for insertion in any publications of the Company, or otherwise for any of the purpose of the Company, and to offer and grant prizes, rewards and premiums of such character and on such terms as may seem expedient.

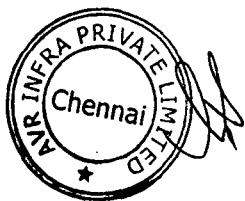


36. To procure the recognition of the Company under, the laws of regulations of any other country and to all acts necessary for carrying on any business or activity of the Company in any foreign country.
37. To obtain any provisions order Act of the Government for enabling the Company to carry on any of its objects into effect or for effecting any modification of the Company's constitution.
38. To refer to or agree to refer any claims, demand, dispute or any other question by or against the company or in which the company is interested or concerned, and whether between the company and the member or members or his or their representatives, or between the Company and third parties, to arbitration and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
39. To invest and deal with the surplus moneys of the Company not immediately required in such manner determined by the Company.
40. To make donations to such persons or institutions and in such cases and either or cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this Company, and also to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public or other institution objects or for any exhibition or for any public, general or other objects subject to the provisions of the Companies Act, 1956.
41. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity which is likely to promote national welfare or social economic or moral uplift of the public or any section of the public and in such manner and by such means as the Company may think fit and the Company may in order to implement any of the above mentioned objects or purposes transfer without consideration or at fair or concessional value and divest the ownership of any property and the Company to or in favor of any Public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts or any other agency devoted to the work of rural development.
42. Without prejudice to the generality of forgoing, to undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers or for organizing lectures, conferences or seminars, workshops, training programmes, likely to advance the aforesaid objects or for giving merit awards, scholarships, loans or any other assistance to institutes, deserving students or academic pursuits or researches and for establishing, conducting, assisting any



institution, fund, trust, having any one of the aforesaid objects as one of its objects.

43. To insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
44. To acquire any shares, stock, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, gift, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
45. To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of any business or property acquired by the Company.
46. To carry on the business or branch of business which this Company is authorised to carry on by means or through the agency of any company or companies and to enter into any arrangement with any such company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such company or guaranteeing its liabilities, or to make any other arrangements, which may seem desirable with reference to any other business or branch so carried on including power at any time either temporarily or permanently to close any such business or branch and/or to appoint directors or managers of any such subsidiary company.
47. To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimize financial disturbances which might affect the Company.
48. To subsidise, assist and guarantee the payment of money by or the performance of any contract, engagement or obligation by any person or companies and in particular customers of the Company or any person or companies, with whom the Company may have or intend to have business relations.
49. Subject to the provisions of the Companies Act, 1956, to vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favor of the Company.

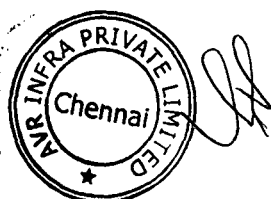


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50. Subject to the provisions of the Companies Act, 1956 or any other law for the time being in force, to distribute in specie or otherwise as may be resolved any property or assets of the Company of any proceeds of sale or disposal of any property or assets of the Company including the shares, debentures, or other securities of any other company formed to take over the whole or any part of the assets or liability of the Company.
51. The Company may, at any time invite and receive or without any such invitation receive any gifts of immovable or movable property and offering or voluntary donations or bequests and legacies either from the shareholder or from any other person for all or any of the objects of the Company with or without any special conditions provided such receipts or the condition attached are not inconsistent with or derogatory to any of the objects of the Company, subject any such conditions as aforesaid, all such gifts, donations, grants, offerings, legacies and bequests including lands, buildings, and other immovable properties shall be treated as forming part of the property of the company and be applied accordingly. The Directors shall in their absolute discretion be entitled to decide whether they shall invite or accept any such gift, donation, grant, offering, legacy or bequest and they shall be at liberty to refuse any of them without giving any reason for such refusal.

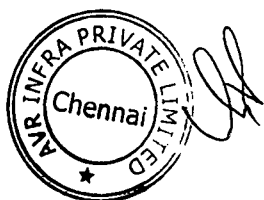
(C) THE OTHER OBJECTS OF THE COMPANY NOT INDICATED IN 'A' AND 'B' ARE :-

1. To act as collaborators, managers, representatives, shipping and transporting agents and to take up all kinds of agencies of companies, corporations and institutions registered in India or outside or firms or any other persons.
2. To start or carry on the publication of dailies, periodicals, books, pamphlets and publications of every description including souvenir, Acts of Parliament or State Legislatures, Government Notifications, Rules and Orders.
3. To carry on business as Commission agents.
4. To carry on business of Carriers and Warehousemen and forwarding agents.
5. To carry on the business of advertising contractors and agents, to acquire and dispose of advertising, time, space, or opportunities on any media to undertake advertising and promotional requisites of every kind and description.
6. To carry on either directly or by others the business or businesses whether together or separately or restaurant, sodafountain, icecream parlour, milkbar and café proprietors, wine, beer and spirit merchants, manufacturers and vendors of mineral water, aerated waters, and syrups; groceries and provisions and of refreshment carters, suppliers and contractors generally.



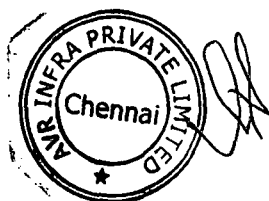
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7. To carry on all or any of the business of entertainment promoters, sports promoters and in all or any sphere of entertainment and sport.
 8. To produce, distribute, or otherwise deal in documentaries, audio visual motion pictures and other mass media communication.
 9. To print, publish or cause to be printed or published any words, song, or music of which the Company has a copy right to publish and to sell and distribute and deal with any matter so printed as the Company may think fit and to grant licences or rights in respect of them to any company or any other person.
 10. To carry on all of the business of shop merchants and growers, malt factors, corn merchants, wine and spirit merchants and importers, and distillers, coopers, and bottlers, bottle makers, bottle stopper makers, potters, manufacturers of and dealers in aerated and mineral waters, and other drinks, licenced victuallers, hotel keepers, beer house keepers, restaurant keepers, lodging house keepers, ice manufacturers and merchants, tobacconists, farmers dairymen, yeast dealers, grain sellers and driers, timber merchants, brick makers, fining manufacturers, and isinglass merchants.
 11. To carry on all or any business of dairymen, cheese, butter, egg and sausage manufacturers and merchants, baconcurers, poultry and live stock breeders, butchers, farmers, grocers and general provision merchants and dealers.
 12. To establish and run rice mills, flour mills, confectioneries and biscuit factories.
 13. To deal in sea foods and marine products in fishing, including deep sea fishing, fish culture, aquaculture, fish farming and own and deal in fishing trawlers, fishing boats and allied activities and machineries.
 14. To carry on the business as fleet operators and engage in allied activities and own transport and Commercial Vehicles.
 15. To carry on the business of a water-works company in all its branches and to sink wells and shafts, and to make, build and construct, lay down and maintain dams, reservoirs, water-works, cisterns, culverts, filter-beds, mains and other pipes and fittings and appliances, cement tiled and marbles, figured or plain, coloured or white to fix them or decorate, and to execute and to execute and do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing in water.
- IV. The liability of the members of the Company is limited.



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- V. The Authorised Share Capital of the Company is Rs.10,00,000/- (Rupees Ten Lakhs only) divided into 100000 (one lakh only) Equity Shares of Rs.10/- (Rupees Ten only) each with such rights, privileges, and conditions respectively attached thereto as may from time to time conferred by the regulations of the Company with power to increase and reduce the capital of the Company and to divide the shares in the capital of the Company 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 regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions, in such manner, as may for the time being provided by the regulations of the Company.



4

- VI. We, the several persons whose names and addresses are hereunder 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 our respective names.

Sl. No.	Signature, Names, Addresses Description & Occupation of the Subscribers	No. of Equity Shares taken by each subscriber	Signature, Name, Address Description & Occupation of the witness
1	A. MALLESH RAO, S/o. Late.Mr. A K Rao, 18,Kasturi Ranga Road, Alwarpet Chennai – 600 018 Business PAN : ABQPA4151P	10 Ten Shares	D. MOHANA SUNDARAM S/o. P.M. Devan, 14, Vivekananda Street, Radha Nagar, Chromepet, Chennai – 600 044.
2	IMC Limited Represented by Company Secretary K. KANNAN S/o. Mr. K.Kolappan. Corporate office :39, Kasturi Ranga Road, Alwarpet, Chennai-600 018 Occupation:Business CIN: U15428WB1935PLC008245	9990 Nine thousand nine hundred and ninety Shares	Practicing. Company Secretary. CP 3672

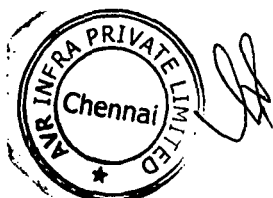
10000

Ten Thousand Shares

Dated : 27.03.2010

Place : CHENNAI

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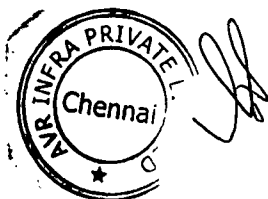


Under the Companies Act, 1956
(Company Limited by Shares)

ARTICLES OF ASSOCIATION
OF
AVR INFRA PRIVATE LIMITED

PRELIMINARY

1. Subject as hereinafter provided, the regulations contained in Table A in the Schedule 1 of the Companies Act, 1956 (hereinafter referred to as Table A) shall apply to the Company to the extent applicable to private companies and excluding those applicable to public companies.
2. Regulations 21, 26 to 43, 64, 66 and 70 of Table A shall not apply to the company and Clauses hereinafter containing shall be applicable.
3. The Company is a private Company within the meaning of Section 3(1)(iii) of the Companies Act, 1956 and accordingly,
 - (a) The Minimum paid-up capital of the Company shall be Rs.1 Lakh or such higher amount as may be prescribed and
 - (b) By its Articles,
 - (1) Restricts the right to transfer its shares, if any;
 - (2) Limits the number of its Members to fifty not including
 - (i) Persons who are in the employment of the Company; and
 - (ii) Persons who, having been formerly in the employment of the Company, were Members of the Company while in that employment and have continued to be Members after the employment ceased; Provided that where two or more persons hold one or more shares in a company jointly, they shall for the purpose of this definition be treated as a single member.
 - (3) Prohibits any invitation to the public to subscribe for any shares in, or debentures of the Company; and
 - (4) Prohibits any invitation or acceptance of deposits from persons other than its Members, Directors or their relatives.



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SHARES

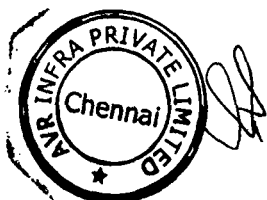
4. The Share Capital of the Company is Rs.10,00,000/- (Rupees Ten Lakhs only) divided into 1,00,000 (one lakh only) Equity Shares of Rs.10/- (Rupees Ten only) each with power to increase or reduce the Capital.
5. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same.
6. The business of the Company may be commenced soon after the incorporation of the Company.

TRANSFER OF SHARES

7. Any members desiring to sell any of his shares must notify the Board of Directors of the number of shares, the market price and the name of the proposed transferee and the Board must offer to the other shareholders the number of shares shall be transferred to the acceptor or acceptors, and if the shares or any of them are not so accepted, within one month from the date of notice of the Board the holder may sell or transfer them or any of them at the same or higher price to third parties. In case of any dispute regarding the market price of the shares, it shall be decided and fixed by the Company's Auditor whose decision shall be final.
8. No transfer of any shares shall be made or registered without the previous sanction of the Board, except when the transfer is made by one member of the Company to another or to a member's wife or child or children or his heirs, and the Directors may decline to give such sanction without assigning any reason and shall also decline in case of any transfer, the registration of which shall involve a contravention of clause-3 of these Articles.

DIRECTORS

9. The number of Directors shall not be less than two or more than twelve.
10. The First Directors shall be:
 1. **MALLESH RAO ATLURI** Director
 2. **KOLAPPAN KANNAN** Director
11. Any person, whether a member of a company or not may be appointed as a Director. No qualification by way of holding shares in the Capital of Company shall be required of any Director.
12. Any Directors shall have the power from time to time to appoint any other persons to be Directors, but so that the total number of Directors shall not at any time exceed the maximum number fixed as above and the Director so appointed shall hold office only upto the date of next Annual General Meeting of the Company.
13. The remuneration of each Director shall be such remuneration as the Board of Directors may determine.



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14. The directors shall be paid any traveling expenses incurred to attend Directors Meeting, or meeting of the Committee or the Board of the Directors.

POWERS AND DUTIES OF DIRECTORS

15. The powers and responsibilities of the Directors of the Company shall be as in the Companies Act, 1956 and in Table-A thereof except on so far as they stand modified by the provisions of these Articles.

MANAGING DIRECTOR

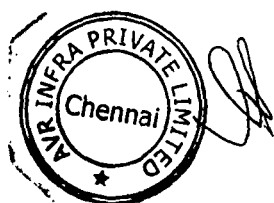
16. The Director may from time to time appoint one or more of their body to the office of Managing Director for so long as he shall hold the office of a Director upon such conditions as they may think fit, but his appointment shall subject to determination by the Directors and shall be determined ipso facto if he ceases from any causes to be a Director or if the Company in General Meeting shall pass a Special Resolution that his tenure of the office of Managing Director be determined. The Directors may from time to time entrust to and confer upon a Managing Director, such of the powers exercisable under these article by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and, upon such terms and conditions, and with such restrictions as they may think expedient and may from time to time revoke, withdraw, alter or vary all or any of such powers.

BORROWING POWERS

17. Subject to Section 292 of the Companies Act, 1956 the Board of Directors may from time to time raise or borrow any sums of money and on behalf of the Company from the members or the other persons, Companies or Banks or they may themselves advance money to the Company on such terms and conditions as may be approved by the Directors.
18. The Board of Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all aspects as they think fit and in particular by issue of debentures or bonds of the Company or by mortgage or charge of all or any part of the property of the Company and its uncalled Capital for the time being.
19. Any debenture, bonds or other securities may be issued at discount, premium otherwise and with special privileges as to the redemption, surrender, drawing, allotting of shares, attending and voting at General Meeting of the Company and otherwise.

RETIREMENT OF DIRECTORS

20. At the First Annual General Meeting of the Company all the First Directors shall retire from office and at every subsequent Annual General Meeting one-third of the Director shall retire by rotation for the time being or, if their number is not three or multiples of three, then the number nearest to one-third shall retire from office. The directors to retire



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by rotation shall be those who have been in office longest since their last appointment but as between persons who become Directors on the same day those who are to retire shall in default of and subject to any agreement among themselves be determined by lot.

21. If at any meeting at which an election of the Directors ought to take place the places of the vacating Directors are not filled up, the Meeting shall stand adjourned till the same day in the next week at the same time and place, and if at the adjourned meeting the places of the vacating Directors are not filled up the vacating Directors shall be deemed to have been re-elected at the adjourned meeting.

22. Any casual vacancy occurred in the Board of Directors, may be filled up by the remaining Directors or Director or Managing Director as the case may be but any person so chosen shall retain his office until the next following Annual General Meeting of the Company and shall be eligible for re-election.

PROCEEDING OF DIRECTORS

23. The Quorum necessary for the transaction of the business of the Directors shall be two or one third of the total strength (any fraction contained therein being rounded off as one) whichever is higher.

THE SEAL

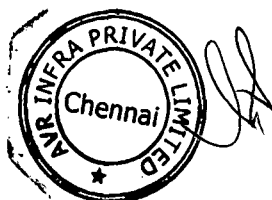
24. The Company shall have a Common Seal and the Directors shall provide for the safe custody thereof. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of two Directors who shall sign every instrument to which the seal shall be affixed in their presence, such signatures shall be conclusive evidence on the face that the seal has been properly affixed.

ACCOUNTS

25. The Directors shall cause true accounts to be kept.

- (a) of the assets and liabilities of the Company; and
- (b) of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place.
- (c) All sales and purchases of goods by the Company.

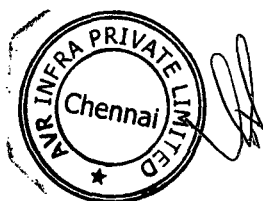
The Books of accounts shall be kept at the Registered Office and shall always be open to the inspection of Director.



AUDIT

26. Once at least in every year the accounts of the company shall be examined and audited by any Auditor duly appointed under 224 and 224A of the Companies Act, 1956.
27. The Remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any first auditors appointed by the directors or any casual vacancy filled by them may be fixed by the directors.

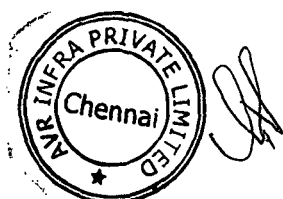
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Sl. No.	Signature, Names, Addresses, Description & Occupation of the Subscribers	Signature, Name, Address Description & Occupation of the witness
1	<p>Mr. A. MALLESH RAO, S/o. Late.Mr. A K Rao, 18,Kasturi Ranga Road, Alwarpet, Chennai – 600 018 Occupation: Business PAN : ABQPA4151P</p>	<p>D. MOHANA SUNDARAM S/o. P.M. Devan, 14, Vivekananda Street, Radha Nagar, Chromepet, Chennai – 600 044.</p>
2	<p>IMC Limited Represented by Company Secretary K. KANNAN S/o. Mr. K.Kolappan. CORPORATE OFFICE:39, Kasturi Ranga Road, Alwarpet, Chennai-600 018 Occupation: Business CIN: U15428WB1935PLC008245</p>	<p>Practicing Company Secretary. CP 3672</p>

Dated : 27.03.2010
Place : CHENNAI

[Handwritten signature]



To: Mr. N. Krishnan
From: U. Sekhag

SPEED POST

MOST URGENT

VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-VI/ 25
Dt. 24-5-2010.

To
M/s. IMC Ltd.,
Corporate Office, 39, Kasturi Ranga Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

Ref: Your letter No. NIL Dt. 3-5-2010.

Please refer to your letter cited.

In this connection, it is to inform that the MOA & AOA of SPV ie., AVR Infra Private Limited submitted by you with reference to the subject Project is under examination.

It is to inform that the RFQ for the subject Project was submitted by you as a Joint Venture with consortium member ITD Cementation India Limited is having 26% of equity shares. As per para (a) of Article II Shareholding pattern 11.2 Shareholding, 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 percentage) of its paid up equity capital during the balance concession period. Therefore, the share holding pattern of ITD Cementation India Limited shall invariably reflected and brought in to the SPV ie., AVR Infra Private Limited since the ITD Cementation India Limited is having 26% of equity shares as Consortium of IMC Limited., in terms of the above Article.

Hence, it is requested to revise and submit the MOA and AOA of SPV such that the share holding pattern of ITD Cementation India Limited is reflected in the MOA & AOA of SPV ie., AVR Infra Private Limited and to enable this office to examine and take necessary further action.

Yours faithfully,

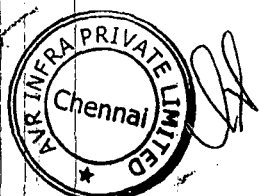
Secretary &

Attorney of the Board

Copy to: M/s. IMC Limited, 10-1-30, Waltair Uplands, VISAKHAPATNAM - 530 003.

FAX No: 0891 2754137

Recd on
28/5/2010
W



MOST URGENT

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

ISO 9001 PORT
ISO14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-VI/25

Dt. 19-5-2010.

To

M/s. IMC Ltd.,

Corporate Office, 39, Kasturi Ranga Road,

Alwarpet, CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on 'DBFOT' basis -- Reg.

Ref: 1. Your letter No. AVR INFRA/EQ-10/2010-11/007 Dt. 19-4-2010.
2. This office letter No. IENG/EE(Projects)/EQ-10/Pt. VI/218 Dt.30-4-2010.

In continuation of this office letter 2nd cited, it is to inform that a meeting has been convened on 3-5-2010 in the Conference Hall of 1st Floor of AOB on the subject Project, in which your Authorized Attorney has attended. During meeting, the adaptations / modifications in the Concession Agreement that were proposed by you have been discussed in detail and it was made clear to M/s. IMC Limited that no deviations can be allowed in the DCA at this stage except minor inclusions without changing the structure and nature of the DCA. Accordingly, the clarifications as sought by M/s. IMC Limited and as clarified by VPT are summarized vide Annexure - I and sent herewith which will be incorporated in the DCA to be entered in to with the Concession Authority in connection with the subject Project.

Encl: As above.

Yours faithfully,


SECRETARY &

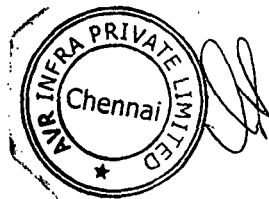
ATTORNEY OF THE BOARD

✓ Copy to: M/s. IMC Ltd., 10-1-30, Waltair Uplands, VISAKHAPATNAM - 530 003 for necessary Action.

FAX No: 0891 2754137

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

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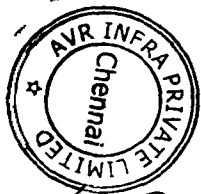




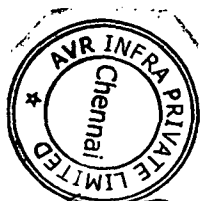
ANNEXURE-I

Vizag EQ-10 Draft Agreement: Clauses requiring modification

No	Page	Article No	Present Clause	Request for modification	VPT's response
1	7	Preamble (A)for handling liquid cargo like caustic soda, edible oils and other liquid cargo	(1) The terms "excluding POL products" shall read as "excluding Class A POL products"	Provision made in DCA holds good
2	14	Definitions: Liquid Cargo	...include caustic soda, edible oils, bio-diesel and other chemicals (excluding POL)	The terms "excluding POL" shall read as "excluding Class A POL products"	Provision made in DCA holds good
3	24	3 (xii)	Conditions Precedent: MoU and working arrangement with the EQ-8 and EQ-9 BOT Operator	This clause to be shifted to Clause 3.1 (b), i.e Conditions Precedent to be fulfilled by the Concessioning Authority .	Provision made in DCA holds good
		3 a (v)	Furnishing a copy of the Management Contract	To be deleted	The clause vide article 1a (v) i.e furnishing a copy of management contract deleted
4	24	3 (xii)	Conditions Precedent: MoU and working arrangement with the EQ-8 and EQ-9 BOT Operator	Line 2, the terms "to facilitate the handling of Liquid Cargo Vessels more than 120 meters" to be deleted	Provision made in DCA holds good

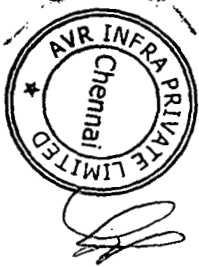


4



No	Page	Article No	Present Clause	Request for modification	VPT's response
5		3.2	Conditions Precedent shall be complied within 90 days	Conditions Precedent shall be complied within 180 days...	Provision made in DCA holds good
6	43	7.1 (c) (i) (b) & (d)	Obligations of the Concessioning Authority: Maintenance of the depth in the entrance channel depth and alongside area	The Concessioning Authority shall make available the committed depths in the entrance channel and the alongside area at least 30 days before the end of the Construction Period	Provision made in DCA holds good
7		6.7 (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 notice period shall be reduced to thirty (30) days	Provision made in DCA holds good
8	47	9.1 (a)	License Fee: Upfront Fee	The Concessionaire shall pay the lump sum amount of Rs.5.85 Crores not later than 30 days after the Commercial Operations Date.	Provision made in DCA holds good
9	47	9.1 (a)	Security Deposit	The requirement of "five (5) years rent as Security Deposit" to be deleted	Provision made in DCA holds good

4



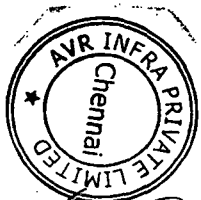
No	Page	Article No	Present Clause	Request for modification	VPT's response
10	57	12.1 (f)	General Rights, Duties and Obligations: Engagement of Contractors	To be deleted	The clause vide article 12.1 (f) i.e., Engagement of Contractors deleted
11	64	14.2 (a)	Non-political Events	The clause shall include the terms, "tsunami, landslide, washout"	The clause 14.2 (a) of DCA holds good
12	117	Appendix 6	Designs and Drawings	<u>Control and Instrumentation:</u> The requirement of "microprocessor based PLC system" shall be deleted and instead the terms "appropriate control systems" shall be inserted	Added as : or any other suitable appropriate and proven control system.
13	118	A iii)	Vertical Live Load	iii) deletion of the terms "and on fill behind"	Provision made in DCA holds good
14				v) deletion of the terms "loading/unloading arms"	Provision made in DCA holds good

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No	Page	Article No	Present Clause	Request for modification	VPT's response
15	119	B	Lateral Load	<p>ii) Berthing impact</p> <p>to delete the terms "240 tonnes" and instead insert</p> <p>Horizontal design forces shall be per the Design Vessel requirements</p> <p>Horizontal impact force shall be per Design Vessel requirements</p>	<p>A horizontal reaction forces of 240 tonnes <u>minimum</u> on any fender unit as per the design requirements .</p>
				<p>iii) Bollard Pull shall be per Design Vessel requirements</p> <p>iv) Breaking forces shall conform to relevant IS/BS codes.</p>	<p><u>Added :</u></p> <p>Minimum and inconformity with relevant IS / BS codes</p> <p><u>Added :</u></p> <p>Minimum and inconformity with relevant IS / BS codes</p>
16	119	1) & 2)	Sub-structure and super-structure	<p>The number specifications shall be deleted and instead insert the following wordings:</p> <p>"All parameters shall conform to applicable IS/BS Codes."</p>	<p>A point i.e., all parameters conform to applicable as per the latest IS / BS codes. <u>added</u></p>
17	121		General	<p>The terms "crane rails" to be deleted</p>	<p>Provision made in DCA holds good</p>

4



No	Page	Article No	Present Clause	Request for modification	VPT's response
	117	Appendix 6	Designs and Drawings	<u>Fire Protection System</u> (a) Instead of TAC guidelines, Oil Industry Safety Directorate (OISD) Guidelines shall be adopted (b) Hydrant System along the pipeline is not necessary The hydrant system will be as per OISD guidelines Line 2 – the terms “ Marine Loading and Unloading Arms” to be deleted.	Added : or as per applicable norms of OISD guide lines Added : or as per applicable norms of OISD guide lines Provisions made in DCA holds good
18	146	4.1.1	Escrow Agreement	The order of appropriation to be changed as below: (b) License Fee to be shifted after (e) viz., debt service obligations under the Financing Documents	Provisions made in DCA holds good

4



IMC Limited

10-1-30, Waitair Uplands, Visakhapatnam - 530 003, India, Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

2007/c

To
The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam

Dated : 3rd May, 2010.

Sir,

Sub :- Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port Trust for handling Liquid Cargo on DBFOT basis - Reg.

Ref :- Incorporation of SPV - AVR Infra Private Limited - submission of Memorandum and Articles of Association.

We have incorporated the SPV namely AVR Infra Private Limited which will enter into the Concession Agreement.

We are enclosing Memorandum of Association and Articles of Association of AVR Infra Private Limited for your records.

Thanking you,

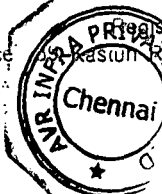
Yours faithfully
for IMC Limited

Authorised Signatory

Encl : Copy of Memorandum and Articles of Association of AVR Inra Pvt Limited

Copy to : The Chief Engineer, Visakhapatnam Port Trust, Visakhapatnam

Registered Office : 232/A, Achariya Jagadish Bose Road, Kolkata - 700 020, India.
Corp. Office : Kasturba Ranga Road, Alwarpet, Chennai - 600 018, India, Tel : 24994880, 24661892, Fax : 91-44-24661738



MOST URGENT

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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-VI/ 218
Dt. 30-4-2010.

To

M/s. IMC Ltd.,

Corporate Office, : 39, Kasturi Ranga Road,
Alwarpet, CHENNAI – 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay -- 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis -- Reg.

Ref: Your letter No.AVR INFRA/EQ-10/2010-11/007 Dt. 19-4-2010.

Please refer to your letter cited.

It is proposed to convene a meeting on 3-5-2010 at 4 PM in the Conference Hall of 1st
Floor of AOB on the subject Project.

You are requested to attend the said meeting on the date and time mentioned above without
fail.

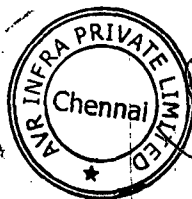
Yours faithfully,


CHIEF ENGINEER

Copy to: M/s. IMC Ltd., 10-1-30, Waltair Uplands, VISAKHAPATNAM – 530 003 for necessary
Action.

FAX No: 0891 2754137

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





IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India. Tel : 2499 4880, 2466 1892
Fax: 91- 44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

28th Apr 2010

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam – 530 003

Dear Sir,

Sub: Development of Eastern Quay – 10 (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on “DBFOT” basis – Minutes of Meeting of the Board of Directors of IMC Limited.

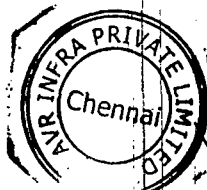
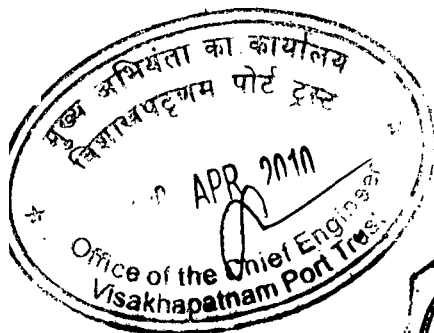
This has reference to your letter No:IENG / EE(Projects)/EQ-10/Pt-Vi/216 dated 26th Apr 2010.

Please find enclosed Minutes of Meeting of the Board of Directors of IMC Limited dated 1st Sep 2009, authorizing Mr. Ajay Kumar Sahoo and Mr. N.Krishnan for singing and submitting the application / bids for the subject mentioned project.

Thanking you,

Yours faithfully
for IMC Limited

Ajay Kumar Sahoo
Vice President – Business Development





IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India Tel : 2499 4880. 2466 1892
Fax: 91- 44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF IMC LIMITED HELD ON TUESDAY THE 1ST DAY OF SEPTEMBER, 2009 AT 11.30 A.M. AT THE CORPORATE OFFICE AT NEW NO. 39, KASTURI RANGA ROAD, ALWARPET, CHENNAI - 600 018

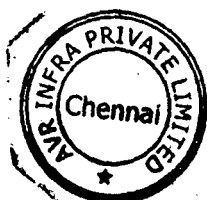
1. The Chairman informed the Board that it is necessary to authorize some representative of the company to sign individually the documents for development of Eastern Quay - 10 (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on 'DBFOT' Basis. After discussions the following resolution was passed unanimously:

"RESOLVED THAT Shri.Ajay Kumar Sahoo s/o Gopabandhu Sahoo, Vice President - Business Development and Shri.N.Krishnan s/o S.Nagarajan, Senior Manager - Business Development be and is hereby authorized to sign individually and submit all documents connected with development of Eastern Quay - 10 (EQ - 10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on 'DBFOT' basis for and on behalf of the Company with regard to the said project and to generally do all such acts as may be necessary to carry out the above intentions."

**CERTIFIED
TRUE COPY**

For IMC Limited

K. Kannan
Company Secretary



MOST URGENT

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

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-VI/216
Dt. 26 -4-2010.

To
M/s. IMC Ltd.,
Corporate Office, : 39, Kasturi Ranga Road.
Alwarpet, CHENNAI -- 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

Please arrange to forward a copy of Minutes of the Meeting of your firm, in which, Sri
Ajay Kumar Sahoo S/o Gopabandhu Sahoo, Chennai was authoring to sign and submit application
and bids in connection with the subject Project immediately to enable this office examine and take
necessary further action.

THIS MAY PLEASE BE GIVEN TOP PRIORITY.


Yours faithfully,

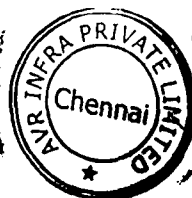

CHIEF ENGINEER

Copy to: M/s. IMC Ltd., 10-1-30, Waltair Uplands, VISAKHAPATNAM -- 530 003 for necessary
Action.

FAX No: 0891 2754137

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

Received Documents	
U.S	
H.S.F.	
M.R.C	
D.S.R	





To: MR. Balaram
 From: Ramesh Chowdhury

O/C

IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
 E-mail : lmcvizag@lmc.net.in URL : lmc.net.in

Ltr.No : AVR INFRA/EQ-10/2010-11/007
 Dt.19th April, 2010

To
 The Secretary & Attorney of the Board
 Visakhapatnam Port Trust
 Visakhapatnam 530 035

Sir,

Sub : Development of East Quay-10 (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on DBFOT basis

Ref : Our Letter Dated 31.03.2010

Your Letter No.IENG/EE(Projects)/EQ-10/Pt-VI/198, dated 17-4-2010

We acknowledge receipt of the letter under reference.

We submit that there were some differences in the soft copy and hard copy (issued as part of the RFP) of the Draft Concession Agreement. From your letter referred above, we also note that there are certain changes to be incorporated in the Concession Agreement and we are going through the same.

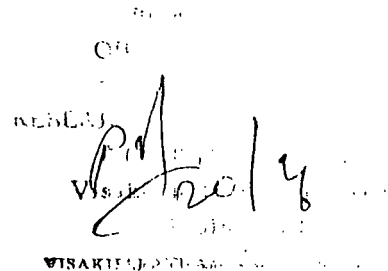
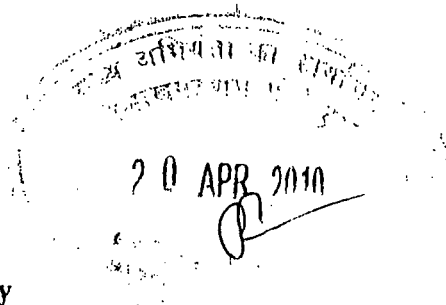
As discussed during our recent meeting, we are requesting certain adaptations/ modifications in the Concession Agreement with a view to ensure the viability of the project and the same is enclosed for your consideration and response. The identified clauses, modifications required and the rationale for our request are summarized in Annex-1. We request a meeting with you on a convenient date to discuss and finalize the clauses.

We expect to complete the SPV formalities by or before 30th April and we would be in a position to execute the Concession Agreement during the first week of May 2010.

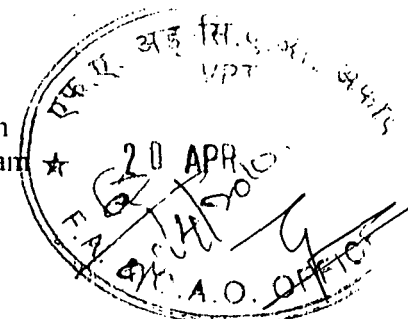
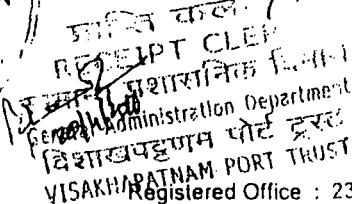
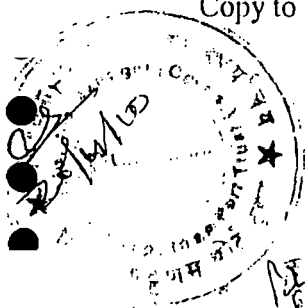
Thanking You,

Yours truly
 for IMC Limited

U. Sekhar
 Authorized Signatory



Copy to : Dy. Chairman, Visakhapatnam Port Trust, Visakhapatnam
 Chief Engineer, Visakhapatnam Port Trust, Visakhapatnam
 FA & CAO., Visakhapatnam Port Trust, Visakhapatnam
 Dy. Conservator, Visakhapatnam Port Trust, Visakhapatnam
 Director - R & D., Visakhapatnam Port Trust, Visakhapatnam



Vizag EQ-10 Draft Agreement: Clauses requiring modification

No	Page	Article No	Present Clause	Request for modification	Rationale for the request
1	7	Preamble (A)for handling liquid cargo like caustic soda, edible oils and other liquid cargo	(1) The terms "excluding POL products" shall read as "excluding Class A POL products"	<p>Some B and C class and safe class petroleum cargoes such as base oils, heavy end oils, bitumen etc may be required to be handled at this berth.</p> <p>Heavy end oils and bitumen are very viscous and require heating facilities and shorter dockline lengths – EQ 10 is the best option for handling such cargoes at Vizag Port.</p> <p>Such cargoes are being handled at the inner harbour/multi-purpose cargo berths of other Ports. Further, safe class bunker fuels may also be handled.</p>
					<p>As Class B and C chemicals are permitted, the berth will have the requisite fire protection system for handling similar safe class petroleum cargoes.</p> <p>The terms "excluding POL products" drastically reduce the flexibility of cargo profile</p> <p>Hence, we request that Class B/C POL products are permitted to be handled, subject to Explosives clearance.</p>
2	14	Definitions: Liquid Cargo	...include caustic soda, edible oils, bio-diesel and other chemicals (excluding POL)	The terms "excluding POL" shall read as "excluding Class A POL products"	Same rationale as under (1) above
3	24	3 (xii)	Conditions Precedent: MoU and working arrangement with the EQ-8 and EQ-9 BOT Operator	This clause to be shifted to Clause 3.1 (b), i.e Conditions Precedent to be fulfilled by the Concessioning Authority .	Satisfactory conclusion of the terms and working arrangements between the BOT operators at an early date would require the intervention of VPT and hence our request.



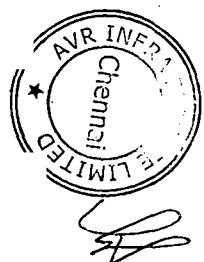
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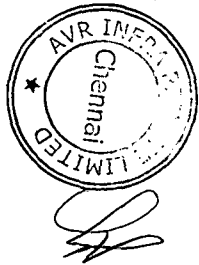
No	Page	Article No	Present Clause	Request for modification	Rationale for the request
		3 a (v)	Furnishing a copy of the Management Contract	To be deleted	The consortium meets the O&M experience and hence Management Contract is not envisaged.
4	24	3 (xii)	Conditions Precedent: MoU and working arrangement with the EQ-8 and EQ-9 BOT Operator	Line 2, the terms "to facilitate the handling of Liquid Cargo Vessels more than 120 meters" to be deleted	This clause is applicable only in the event of EQ-10 terminal not being able to berth the vessel. EQ-10 terminal might be able to berth vessels larger than 120 m LOA. Hence the condition of "more than 120 m LOA vessels" is not warranted
5		3.2	Conditions Precedent shall be complied within 90 days	Conditions Precedent shall be complied within 180 days...	The time of 90 days is too short to complete all the items under Conditions Precedent 180 days is the time limit specified in other port BOT projects.
6	43	7.1 (c) (i) (b) & (d)	Obligations of the Concessioneing Authority: Maintenance of the depth in the entrance channel depth and alongside area	The Concessioneing Authority shall make available the committed depths in the entrance channel and the alongside area at least 30 days before the end of the Construction Period	The Concessionaire needs to plan to receive the vessels and inform the users in advance and hence the request.
7		6.7 (a)	At least 60 (sixty) Days prior to the likely completion of the Project, the Concessionaire shall notify the Independent Engineer of the date	The notice period shall be reduced to thirty (30) days	60 days is too long a period to predict the Commercial Operations date. As many of the tests would be conducted as the construction is in progress, time of 30 days is sufficient for the Independent Engineer to inspect and issue the Completion Certificate

[Handwritten signature]



			when it intends to commence commercial operations		
8	47	9.1 (a)	License Fee: Upfront Fee	The Concessionaire shall pay the lumpsum amount of Rs.5.85 Crores not later than 30 days after the Commercial Operations Date.	The original clause in the RFP indicates that the upfront fee is for the use of the 60 m length of the berth based on which we made our offer. The Concessionaire would not be able to utilize this portion of the berth during the construction period and hence the request.
9	47	9.1 (a)	Security Deposit	The requirement of "five (5) years rent as Security Deposit" to be deleted	This is a BOT project and the Concessionaire is providing Performance Guarantee for the entire project and hence separate Security Deposit for the land is not warranted. Other ports such as Kandla, Paradip, Ennore etc do not stipulate provision of Security Deposit for the land offered as part of the BOT project. In view of the above, it is requested to waive off the requirement of Security Deposit.

No	Page	Article No	Present Clause	Request for modification	Rationale for the request
10	57	12.1 (f)	General Rights, Duties and Obligations: Engagement of Contractors	To be deleted	Provision relating to Management Contractor is not applicable, since the consortium has the necessary O&M experience
11	64	14.2 (a)	Non-political Events	The clause shall include the terms, "tsunami, landslide, washout"	
12	117	Appendix 6	Designs and Drawings	<u>Control and Instrumentation:</u> The requirement of "microprocessor based PLC system" shall be deleted and	It is not common practice to install PLC systems in terminals of this size, which are relatively smaller in terms of throughput and handling rates.



				instead the terms "appropriate control systems" shall be inserted	
13	118	A iii)	Vertical Live Load	iii) deletion of the terms "and on fill behind"	No space behind the berth.
14				v) deletion of the terms "loading/unloading arms"	Unloading systems comprising electrically continuous hoses and pipelines with ship-shore manifold.
15	119	B	Lateral Load	ii) Berthing impact: to delete the terms "240 tonnes" and instead insert: Horizontal design forces shall be per the Design Vessel requirements Horizontal impact force shall be per Design Vessel requirements	Horizontal, impact forces and Bollard Pull shall conform to the design requirements and hence the number specifications are not required to be indicated
				iii) Bollard Pull shall be per Design Vessel requirements iv) Breaking forces shall conform to relevant IS/BS codes	
16	119	1) & 2)	Sub-structure and super-structure	The number specifications shall be deleted and instead insert the following wordings: "All parameters shall conform to applicable IS/BS Codes."	Grade of steel, concrete and relevant parameters shall be as per the applicable Design Codes
17	121		General	The terms "crane rails" to be deleted	Crane Rails is not relevant for the Project

Handwritten signature/initials.



No	Page	Article No	Present Clause	Request for modification	Rationale for the request
	117	Appendix 6	Designs and Drawings	<p><u>Fire Protection System</u></p> <p>(a) Instead of TAC guidelines, Oil Industry Safety Directorate (OISD) Guidelines shall be adopted</p> <p>(b) Hydrant System along the pipeline is not necessary. The hydrant system will be as per OISD guidelines</p> <p>Line 2 - the terms Marine Loading and Unloading Arms, to be deleted</p>	<p>TAC guidelines are not mandatory and hence we recommend compliance with OISD norms.</p> <p>Marine Loading/Unloading Arms not envisaged in the Feasibility Report / I-AMIP calculations.</p>
10	146	4.1.1	Escrow Agreement	<p>The order of appropriation to be changed as below:</p> <p>(b) License Fee to be shifted after</p> <p>(e) viz., debt service obligations under the Financing Documents</p>	<p>Since the facility will be transferred to the Concessioneing Authority on fulfilling the debt service obligations, it is requested to alter the order of appropriation for the due payments</p>

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

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-VI/198
Dt. 17-4-2010.

To
M/s. IMC Ltd.,
Corporate Office.: 39, Kasturi Ranga Road,
Alwarpet, CHENNAI 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis Reg.

- Ref: 1. Your bid Dt. 25-9-2009.
2. Your letter Dt. 6-1-2010.
3. This office letter No. IENG/EE(Projects)/EQ-10/Pt.V/112 Dt. 1-3-2010.
4. This office letter No. IENG/EE(Projects)/EQ-10/Pt. V/171 Dt. 1-4-2010
5. Your letter DT. 13-4-2010.

Please refer to your letter 5th cited. In this connection, it is to inform that vide this office
letter under reference 4th cited the DCA related to EQ-10 Project was enclosed and sent to your
office at Chennai through speed post.

In this regard it may please be recalled that an additional hard copy of DCA for the
Project of EQ-10 berth was also handed over to your representative at Visakhapatnam during
01-4-2010 and a summary of changes carried out in the DCA was handed over on 13-4-2010 to
your representative at Visakhapatnam.

In addition, it may also please be noted that a soft copy of the same was mailed during 10-
4-2010 and 15-4-2010 so as to take further necessary action at your end

As you are aware in terms of clause 1.3 ie. Schedule of Bidding Process of RFQ document,
you have to sign of Concession Agreement within 30 days of award of LOA.

Therefore, it is once again requested to take necessary action as required for the signing of
Concession Agreement so as to enable this office to take further necessary action.

Yours faithfully,


SECRETARY
ATTORNEY OF THE BOARD



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



IMC LIMITED

Corporate Office : 39, Kasturi Range Road, Alwarpet, Chennai - 600 015, India. Tel : 2499 4890, 2466 1892
Fax: 01-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

13 April 2010

The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam 530 035

Dear Sir

Sub: Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on DBFOT basis - Reg.

Ref: Your Letter No. IENG/EE(Projects)/EQ-10/Pt-V/171, dated 1-4-2010

We acknowledge receipt of your letter under reference.

We have incorporated the SPV namely AVR Infra Private Limited which will enter into the Concession Agreement.

The other formalities such as allotment of shares to the consortium members etc., are in progress and expected to be complete in the next few days time, after which we will provide the full details of the SPV for your review.

We wish to bring to your attention that the Draft Concession Agreement enclosed as part of your letter relates to WQ-6 BOT Project and hence we are returning the same to you.

We request you to hand over the final draft copy of the Concession Agreement for EQ-10 Project to our Vizag office representative for our study.

Thanking You,

Yours truly,
for IMC Limited

[Signature]
Ajay Kumar Sahoo
Vice President - Business Development

15/4/2010
प्रति क्लर्क
RECEIPT CLERK
सामान्य प्रशासनिक विभाग
General Administration Department
विशाखपट्टणम पोर्ट ट्रस्ट
VISAKHAPATNAM PORT TRUST
विशाखपट्टणम पोर्ट ट्रस्ट

Copy to : The Chief Engineer, Visakhapatnam Port Trust



Registered Office : 232/A, Acharya Jagdish Bose Road, Calcutta - 700 020, India.

★ 15 APR 2010
Office of the Chief Engineer
Visakhapatnam Port Trust

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

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pl-V/13/
Dt 1-4-2010.

To

From:
The Secretary & Attorney of the Board.
Visakhapatnam Port Trust
VISAKHAPATNAM - 530 035.

To
M/s. IMC Ltd.,
Corporate Office, 39, Kasturi Ranga Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

Ref: No. IENG/EE(Projects)/EQ-10/Pl. V/ Dt. 1-3-2010

With reference to the above subject in acknowledgement to the Letter of Award (LOA) issued on 1-3-2010 vide reference 1st cited, for the subject Project, it is required to sign the Concession Agreement between the Concessionaire M/s. IMC Ltd., 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 RIQ, RFP and Concession Agreement, the details of the SPV are yet to be received by VPT for approval.

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

The date and time of signing of Concession Agreement will be informed once necessary compliances are met with by you.



[Handwritten signature]


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. 25-09-2009, Draft Concession Agreement (DCA) to be entered in to with the Concessioneing Authority in connoction 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.

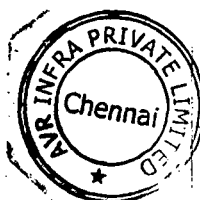
This is for information and immediate response.

Encl: As above.

Yours faithfully,


SECRETARY & TM/10
ATTORNEY OF THE BOARD

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





IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India Tel 2754250. 2755612 Fax 91-891-2754137
E-mail imcvizag@imc.net.in URL imc.net.in

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

Dated : 1st April, 2010

Sir,

Sub :- Development of Eastern Quay - 10 [EQ-10] berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for Handling Liquid Cargo on
'DBFOT' Basis - Reg.

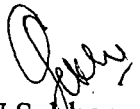
Ref :- VPT Letter No.IENG/EE(Projects)/EQ-10/Pt-V/161 Dated 25-03-2010

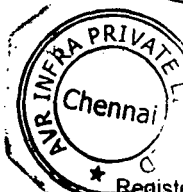
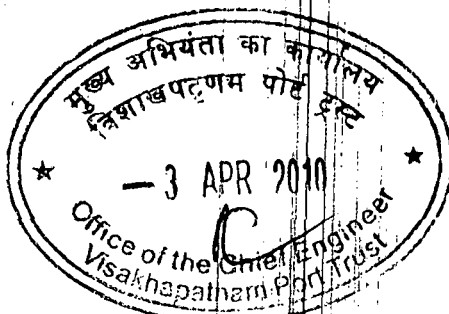
- 0 -

Please find enclosed IMC Limited Memorandum and Articles of Association for
your records.

Thanking you,

Yours faithfully
for IMC Limited


U. Sekhar
Authorized Signatory





Coro-21-8245

नाम में तब्दीली के परिणामस्वरूप निगमन के लिये नया प्रमाण-पत्र
FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

कम्पनियों के रजिस्ट्रार के कार्यालय में

[कम्पनी अधिनियम, 1956 (1956 का 1) के अधीन]

In the Office of the Registrar of Companies... West Bengal

[Under the Companies Act, 1956 (1 of 1956)]

... ..के विषय में ।
IN THE MATTER OF The Indian Molasses Co. Limited ...

... .. मैं एतद्वारा प्रमाणित करता हूँ कि परिसीमित जिसका निगमन मूलतः 19 के के दिन हम अधिनियम के अधीन और परिसीमित

नाम द्वारा किया गया था कम्पनी अधिनियम 1956 की धारा 21/22 (1) (क)/22(1) (ख) के निर्बंधनों के अनुसार आवश्यक संकल्प पारित कर चुकी है और इसकी बायन केन्द्रीय सरकार की लिखित अनुमतिकम्पनी काये विभाग द्वारा प्रदान कर दी गई है ।

I hereby certify that The Indian Molasses Co. Limited, which was originally incorporated on 2nd day of April 1935, under the Companies Act, 1956 and under the name The Indian Molasses Co. Limited having duly passed the necessary resolution in terms of section 21/22, (a)/22(1)(b) of Companies Act, 1956, and the approval of the Central Government signified in writing having been accorded thereto in the Department of Company Affairs.

क्षेत्रीय निदेशक के तारीख 19 के पत्र सं. द्वारा प्राप्त हो जहाँ पर उक्त कम्पनी का नाम इस दिन परिसीमित में तब्दील कर दिया गया है और यह प्रमाण पत्र उक्त अधिनियम की धारा 23 (1) के अनुसरण में जारी किया जाता है ।

Regional Director of Companies S. letter No. NCR/EN/82/5/95 dated 7.6.1995
the name of the said company is this day changed to... IME Limited.
Limited and this certificate is issued pursuant to section 23(1) of the said Act.

मेरे हस्ताक्षर से यह तारीख को दिया गया ।

Given under my hand at Calcutta this day of 16.6.1995
(One thousand nine hundred Ninety six).



Assistant Registrar
(G. M. MURTHY)
कम्पनियों का रजिस्ट्रार
Assistant Registrar of Companies

*यहाँ पर कम्पनी का नाम लिखिए जो कि तब्दीली से पूर्व था ।

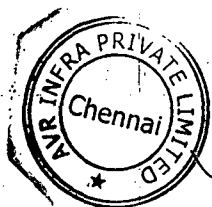
*Here give the name of the Company as existing prior to the change.

†यहाँ पर अधिनियम (अधिनियमों का नाम लिखिए) धिनके अधीन कम्पनी का मूलतः रजिस्ट्रीकरण और निगमन किया गया था ।

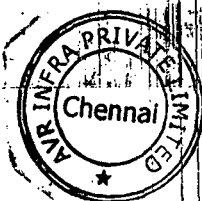
†Here give the name of the Act(s) under which the Company was originally registered and incorporated.

जे० एस० सी०-7

J S. C.-7

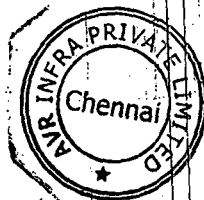


**MEMORANDUM AND
ARTICLES OF ASSOCIATION
OF
IMC LIMITED**



(THE INDIAN COMPANIES' ACTS, 1913-20)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
IMC LIMITED

1. The name of the Company is "IMC LIMITED".
2. The Registered Office of the Company will be situate in the Province of Bengal.
3. The objects for which the Company is established are (and it is expressly declared that the several subclauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause, to be narrowed or restricted by any particularity of any other sub-clause, nor is any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction *ejusdem generis* or otherwise):-



Growers, refiners and
dealers in molasses,
etc.

- (1) To establish and carry on the business of growers, cultivators, manufacturers, buyers, sellers, refiners and boilers of and dealers in all kinds of molasses, cheetah, sugar, gur, rab, jaggery and other saccharine substances and all sugar products and by products; buyers and cultivators of oilseeds and manufacturers and refiners of and dealers in vegetable oils and oilcake; spirit and wine and essence distillers and makers; brewers; fruit growers and preservers in all the branches of such business; and to purchase, sell, import, export, dispose of, deal in and act as merchants and agents for or in connection with all or any such products or produce or the products or produce of such businesses or any of them.

Sugarcane etc.

- (2) To carry on and work the business of growing, cultivating or buying every kind of sugarcane, plants, fruits and seeds and vegetable produce or products of the soil and products of agriculture or husbandry; to prepare, manufacture, crush and render marketable any such sugarcane, plants, fruits, seeds, grain and produce and to sell, dispose of and deal in any molasses, cheetah, sugar, gur, rab, jaggery, plants, fruits, seeds, produce and products in their prepared, manufactured or raw state, and to carry on the business of millers and whether as principals or agents to grind, crush, prepare and make marketable molasses, sugar, wheat, rice and every kind of grain, fruit and vegetable produce and the products thereof and to deal in and dispose of the same in every way.

Mowha etc.

- (3) To carry on the business of dealers, in mowha, indigo, lac, shellac, resin, gum, tannin, cutch, caffeine and every nature and description of vegetable, vegetable extract, forest product and produce of the soil and trees and to buy, sell, dispose off manufacture & deal in indigo and any such commodity, thing or produce, either in its raw, manufactured or prepared state and either wholesale or retail.

Lands for factories and
plantations.

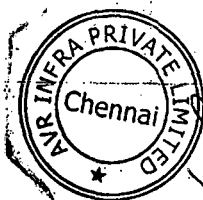
- (4) To acquire by purchase or on lease or otherwise, lands in India or elsewhere and to establish liquid storage installations, factories, mills, refineries, distilleries, warehouses and other buildings on such lands or any of them or on any part thereof such gardens and plantations as shall be considered expedient or convenient for the purposes of the Company and to carry on the business of cultivating, planting, growing, extracting, drawing, obtaining, manufacturing and preparing mowha, indigo, lac, shellac, resin, gum, tannin, catch, caffeine and other vegetable extracts and forest products of every nature and description.

Shipowners and Rail-
way Rolling Stock
Owners

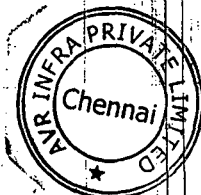
- (5) To purchase, charter, hire, build and otherwise acquire steam, oil, and other ships or vessels and railway rolling stock, with all equipment and furniture and to employ the same in the liquid storage and transport of all kinds of liquid merchandise and in the conveyance of passengers, mails, troops, munitions of war, live stock, meat, corn and other produce and of treasure and merchandise of all kinds between such ports in any part of the world as may seem expedient.

Liquid Storage, Instal-
lation

- (6) To buy, sell, manufacture, hire, deal in and let out on hire, all kinds of liquid storage tanks, whether fixed to the soil or built in ships, railway rolling stock, or otherwise, and pipes, pumps and all kinds of plant, machinery and materials used in connection with liquid storage installation whether for the storage of molasses or any other products of the company or for the products and merchandise of any other company, firm or person.



- | | | |
|------|--|---|
| (7) | To carry on the business of van and omnibus proprietors and carriers of goods and passengers and of manufactures of, and dealers in, motor vans, motors cars, carriages of all kinds, trucks, locomotives, accumulators, dynamos, and other chattels and effects and conveniences required for making, maintaining, equipping and working all forms of transport | <i>Carriers by land</i> |
| (8) | To carry on all or any of the following businesses, that is to say, general carriers, railway and forwarding agents, ship and Insurance brokers, barge owners, tug owners and lightermen, wharfingers, warehousemen and carmen and any other business which can conveniently be carried on in connection with the above. | <i>General Carriers</i> |
| (9) | To breed, rear, farn, buy, sell and deal in live-stock of any kind and to buy, prepare and manufacture animal produce or manures of every kind, and to sell, dispose of, deal in or otherwise turn to account such produce or manures either in their prepared, manufactured, or raw state and either by wholesale or retail. | <i>Farm</i> |
| (10) | To carry on all or any of the business of or usually carried on by zemindars or land companies. | <i>Zemindari</i> |
| (11) | To take on lease, hire, purchase or otherwise, acquire, work and carry on any lands, plantations, rights over or connected with lands, buildings and immovable or movable property of any description and any rights or privileges which may be deemed necessary or convenient for any business which the Company is authorised to carry on. | <i>Purchase, lease.</i> |
| (12) | To irrigate, cultivate, improve and develop any lands and properties, whether belonging to the company or not, and to develop the resources thereof by clearing, draining, fencing, cultivating, planting, manuring, farming, letting or otherwise, with power to advance money to other persons for any of the purposes aforesaid. | <i>Develop lands</i> |
| (13) | To construct, purchase, lease, or otherwise acquire any railway or tramway in or through the company's lands or in the vicinity thereof and to enter into (either alone or jointly with others and either with or without the concurrence of owners or other persons interested in lands or other rights therein adjacent to or in the vicinity of the Company's lands) any contracts, engagements, or arrangements with any Railway company or persons regarding any line or branch line of railway or tramway which may at any time be constructed so as to extend to the Company's land or any place or places in the vicinity thereof. | <i>To acquire railways, etc., through or near Company's land etc.</i> |
| (14) | To import, export, purchase and sell or otherwise acquire and deal in movable and immovable property of all kinds and in particular all kinds of materials, articles, commodities and merchandise, produce and stock whatsoever and to construct any tanks, pipelines, mills, factories, or other buildings or works and conveniences of all kinds. | <i>To deal in materials and construct mills, etc.</i> |
| (15) | To manufacture, import, export, buy, sell, exchange, alter, improve, manipulate, prepare for market, and otherwise deal in all kinds of plant, apparatus, utensils, substances, materials and things necessary or convenient for carrying on any of the above specified businesses or proceedings, or usually dealt in by persons engaged in the like business. | <i>To manufacture and deal in materials, etc., convenient for carrying on business.</i> |



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To carry on Agency business

- (16) To carry on all kinds of agency business, and to take part in the management, supervision or control of the business or operations of any other company, association, firm or person, and to act as the Managing Agents, Agents, Secretaries or other officers of any such company, association, firm or person, and in connection therewith to appoint and remunerate any Directors, accountants and other experts or Agents.

Construct markets, etc.,

- (17) To construct, carry out, maintain, improve, manage, work, control and superintend any hats, markets, reservoirs, water-works, tanks, pipelines, bridges and works in connection therewith, hydraulic works, electrical works and factories, coolie line and houses, and bustees, villages, and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the company, and to contribute to, subsidise or otherwise aid or take part in any such operations.

To advertise Company's products

- (18) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting, prizes, rewards and donations.

Banking

- (19) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing with stocks, funds, shares, debentures, debenture-stocks, bonds obligations and other securities.

Loans

- (20) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.

To carry on business of general manufacturers etc.

- (21) To carry on the business of general manufacturers and to manufacture, buy, sell, and deal in apparatus, machinery, materials and articles of all kinds.

Purchase, Lease, exchange

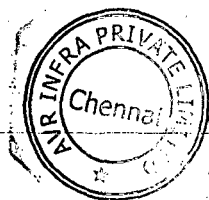
- (22) To acquire by purchase, lease, exchange or otherwise, lands buildings and hereditaments of any tenure or description and any estate or interest therein, and any rights over or connected with land, and either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.

Construct Tram ways etc.

- (23) To sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, telegraph lines, canals, reservoirs, water-courses, warehouses sheds, and other buildings and works calculated, directly or indirectly to advance the interests of the Company, and to pay or contribute to the expense of constructing, maintaining, and improving any such works.

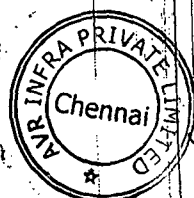
Any other business

- (24) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated, directly or indirectly, to enhance the value of or render profitable any of the Company's property or rights.



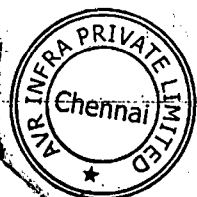
A large, stylized handwritten signature or mark, possibly 'G' or 'H', with a horizontal line through it.

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|------|---|---------------------------------------|
| (25) | To construct, carry out, maintain, improve, manage, work, control and superintend any hats, markets, reservoirs, water-works, tanks, bridges and works in connection therewith, hydraulic works, electrical works and factories, coolie lines and houses, and bustees, villages and other works and conveniences, which may seem, directly or indirectly, conducive to any of the objects of the Company, and to contribute to, subsidise or otherwise aid or take part in any such operations. | <i>Construct markets, etc.</i> |
| (26) | To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company. | <i>Acquire and undertake business</i> |
| (27) | To apply for, purchase or otherwise acquire any patents, brevets d'invention, licenses concessions and the like conferring any exclusive or non-exclusive or limited right to use, or 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 calculated, directly or indirectly, to benefit the company, and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired. | <i>Patents</i> |
| (28) | To enter into partnership or into any arrangement for sharing profits into any union of interests, Joint-adventure reciprocal concession or co-operation with any person or persons or company or companies carrying on, or engaged in, or about to carry-on or engage in, or being authorised to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. | <i>Partnership</i> |
| (29) | To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company. | <i>Holding shares</i> |
| (30) | To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem, directly or indirectly, calculated to benefit this Company. | <i>Promotion</i> |
| (31) | To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined. | <i>Investment</i> |
| (32) | To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debentures-stock, contracts mortgage, charges, obligations instruments, and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated, and generally to guarantee or become sureties for the performance of any contracts or obligations. | <i>Guarantee</i> |



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- | | | |
|--------------------------------|------|---|
| <i>Government concession</i> | (33) | To enter into any arrangement with any Government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such government or authority all rights, concessions and privileges which the Company may think it desirable to obtain and to carry out exercise and comply with any such arrangements, rights privileges and concessions. |
| <i>Provident Institutions</i> | (34) | To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition for any-public, general or useful objects. |
| <i>Borrowing</i> | (35) | To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem and pay off any such securities. |
| <i>Remuneration</i> | (36) | To remunerate any persons or company for services rendered, or to be rendered, in placing or assisting to place, or guaranteeing the placing of, any shares in the Company's capital or any debentures, debenture-stock or other securities or promotion of the company or the acquisition of property by the Company or the conduct of its business. |
| <i>Negotiable instruments.</i> | (37) | To draw, make accept, discount, execute and issue bills of exchange, government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities. |
| <i>Trusts</i> | (38) | To undertake and execute any trust, the undertaking of which may seem to the company desirable, and either gratuitously, or otherwise. |
| <i>Sell undertaking</i> | (39) | To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether, or in part, similar to those of this Company. |
| <i>Publicity</i> | (40) | To adopt, such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations. |
| <i>Labour Problems</i> | (41) | To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade. |
| <i>Sell Company's property</i> | (42) | To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company. |
| <i>Distribution in specie</i> | (43) | To distribute all or any of the property of the Company amongst the members in specie or kind. |



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We the several persons whose names and addresses are desirous of being formed into a Company, in pursuances of the Memorandum of Association, and respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, Addresses and Description of Subscribers	No of shares taken by each subscriber	Name, Address and Description of Witness.
<p>E.W. DIAS 32, Dalhousie Square, One South, Calcutta, Solicitors' Assistant</p> <p>E. CULLEN 32, Dalhousie Square, One South, Calcutta, Solicitors' Assistant</p>		<p>MONORANJAN MUKHERJEA 32, Dalhousie Square, South, Calcutta, Solicitors' Assistant</p>
Total	Two	

Dated the 2nd day of April, 1935.

IMC LTD.,



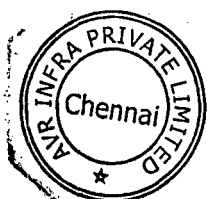
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- (44) To do all or any of the above things, either as principals, agents, trustees, contractors, or otherwise, and either alone or in conjunction with others, and either by or through agents sub-contractors, trustees or otherwise, and either alone or in conjunction with others and to do all such things as are incidental or conducive to the attainment of the above objects.

Trustee and agency

And it is hereby declared that the word "Company" save when used in reference to this Company, in this clause, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, whether domiciled in british India or elsewhere.

4. The liability of the members is limited.
5. The share capital of the company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 Equity shares of Rs. 10/- each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with power to increase and reduce the capital of the company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being, be provided by the regulations of the company.



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(THE COMPANIES ACT, 1956)
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
IMC LIMITED

Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meanings as, in the Act or any statutory modification thereof in force of the date at which the Articles become binding on the Company.

Interpretation

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:-

"The Act" means the Companies Act, 1956, and includes where the context so admits any reenactment or statutory modification thereof for the time being in force.

"These Articles" means these Articles of Association as originally framed or as from time to time altered by special Resolution.

"The Company" means IMC LIMITED.

"The Directors" means the Directors for the time being of the company.

"The Board of Directors" or "The Board" means the Board of Directors for the time being of the Company.

"The Managing Director" means the Managing Director for the time being of the Company.

"The Office" means the Registered Office for the time being of the Company.

"Register" means the Register of Members of the Company required to be kept by Section 150 of the Act.

"The Registrar" means the Registrar of Companies, West Bengal.

"Dividend" includes bonus.

"Month" means calendar month.

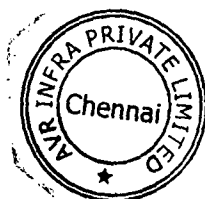
"Seal" means the Common Seal of the Company.

"Proxy" includes Attorney duly constituted under a power of attorney

"In writing" and "written" include printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.



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Table "A" not to apply

Company not to purchase its own shares

2. Save as reproduced herein the regulations contained in Table "A" in the First Schedule to the Act or in Table "A" in the First Schedule to the Indian companies Act. 1956 shall not apply to the Company.
3. The funds of the Company shall not be employed in the purchase of, or lent on the security of, shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the company or any company of which it may, for the time being, be a subsidiary.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 31.

SHARE CAPITAL

Division of capital

4. The Share Capital of the Company is Rs. 10,00,00,000 divided into 100,00,000 Ordinary Shares of Rs. 10 each.

SHARES

Allotment of shares

5. Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons, on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit.

Return of Allotments

6. As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act.

Commission And Brokerage

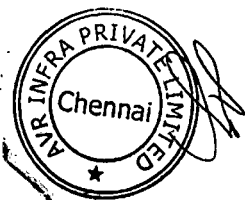
7. The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said Section and the commission shall not exceed 5 percent, of the price at which any shares in respect whereof the same is paid, are issued or 2 1/2 percent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Shares At A Discount

8. With the previous authority of the Company in general meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued.

Instalments On Shares To Be Duly Paid

9. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the share or by his executor or administrator.



10. The joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.
11. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.
12. Shares may be registered in names of any person, company or other body corporate. Not More than four persons shall be registered as joint-holder of any share.

Liability Of joint holders Of Shares

Trusts Not Recognized.

Who May Be Registered.

CERTIFICATES

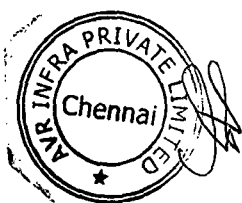
13. Subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any statutory modification or re-enactment thereof, share certificates shall be issued as follows:

Certificates

- (1) The Certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (1) two Directors or a Director and a person acting on behalf of another director under a duly registered power-of-attorney or two persons acting as attorneys for two Directors as aforesaid; and (2) the Secretary or some other persons appointed by the Board for the purpose, all of whom shall sign such share certificate; provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Directors.

Member's right to Certificate

- (2) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if the Board so approves, to several certificates each for one or more of such shares but, in respect of each additional certificate for less than fifty shares the Company shall be entitled to charge a fee of Rs. 2 or such less sum as the Board may determine. Unless the conditions of issue of any shares otherwise provide, the Company shall, within three months after the date of either allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (Save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within two months, of receipt of the application for registration of the transfer of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued the shares to which it relates and the amount paid up therein. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the above Rules or, in a form as near thereto as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue. In respect of any share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint-holders shall be sufficient delivery to all such holders.



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*As to Issue of New
Certificates*

- (3) If any certificate of any share be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, wornout or where the cases in the reverse for recording transfers have been duly utilised, then, upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a certificate has been issued in place of a certificate which has been defaced, etc., lost or destroyed, it shall state on the face of its and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so defaced, etc., lost or destroyed, as the case may be, and, in the case of a certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company the sum of Rs. 2/- or such smaller sum together with such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.

*Particulars Of New
Certificate to be En-
tered In The Register*

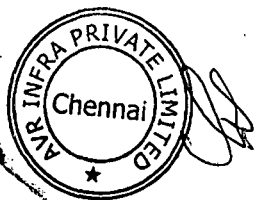
- (4) Where a new share certificate has been issued in pursuance of the last preceding paragraph, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register by suitable cross-references in the "Remarks" Column. All entries made in the Register or in the Register of Renewed and Duplicate Certificate shall be authenticated by the Secretary or such other person as may be appointed by the Board for purposes, of sealing and signing the share certificate under paragraph (1) hereof.

CALLS

Calls

14. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotments thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
15. No call shall exceed one-fourth of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

*Restriction On Power
To Make Calls And No-
tice*



16. (1) If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder of the time being in respect of the share for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12 percent. per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (2) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
17. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the shares or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.
18. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose on the register as a holder, or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be — necessary to prove the appointment of the Board who made any call, nor that quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
19. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds, the amount of the calls, then made upon the share in respect of which such advance has been made, the company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6 per cent per annum as the member paying such sum in advance and the Board agrees upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at anytime repay the amount so advanced upon giving to such member not less than three months' notice in writing.
20. A call maybe revoked or postponed at the discretion of the Board.

*When Interest On
Call Or Instalment
Payable*

*Amount payable At
Fixed Times Or
Payable By Instal-
ments As Calls.*

*Evidence In Actions
By Company
Against Share
holders*

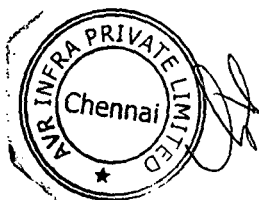
*Payment Of Calls in
advance*

Revocation Of Call

FORFEITURE AND LIEN

21. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

*If call Or Instalment
Not Paid Notice
May Be Given*



Form Of Notice

22. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place of places on and at which such call or instalment 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 shares in respect of which such call we made or instalment is payable will be liable to be forfeited.

*If Notice Not Complied
with shares May be
Forfeited*

23. If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at anytime thereafter, before payment of all calls or instalment, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice After Forfeiture

24. When any 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, but no forfeiture, shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

*Forefeited Share To
Become Property Of
The Company*

25. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

*Power to Annul forfei-
ture*

26. The Board may, at any time before any share should so forfeited shall have been sold, re-alloted or otherwise disposed off, annul the forfeiture thereof upon such condition of it thinks fit.

Liability On forfeiture

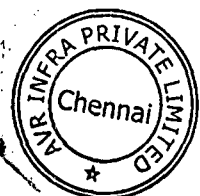
27. A person whose share has been forfeited, shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or instalments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon from the time of forfeiture until payment, at 12 percent per annum and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

Evidence Of forfeiture

28. A duly verified declaration in writing that the declarant is a Director, Managing Director, Manager or Secretary of the company, and that certain shares in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

*Forfeiture Provisions
To Apply To Nonpay-
ment In Terms Of
Issue.*

29. The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.



30. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the company's lien, if any, of such share.

Company's Lien On shares

31. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and untill notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonisor other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice.

As To Enforcing Lien by Sale

32. The net proceeds of the sale shall be received by the company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

Application Of Proceeds Of Sale

33. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered to the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Validity of sales in exercise of lien and after forfeiture

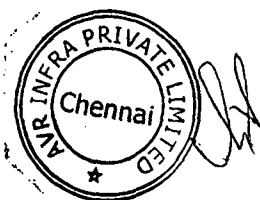
Where any share under the powers in that behalf herein contained is sold by the board and the certificate in respect thereof has not been delivered up to the company by the former holder of such share, the board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

Board may issue new certificates

TRANSFER AND TRANSMISSION

35. Subject to the provisions of section 111 of the Act, the Board, without assigning any reason for such refusal, may within two months from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of, or the transmission by operation of law of the right to, a share.

In what cases the Board may refuse to register transfer



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*Execution of transfer,
etc.*

36. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company within the period prescribed by section 108 of the Act together with the certificate or, if no such certificate is in existence, the Letter of Allotment of the share. The transferor shall be deemed to remain the member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one witness who shall add his address.

*Application by trans-
feror*

37. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

Form of transfer

38. The instrument of transfer of any share shall be in the form prescribed by and under Section 108 of the Act, or as near thereto as circumstances will admit.

*No transfer to minor
etc.*

39. No transfer shall be made to a minor or person of unsound mind.

*Transfer to be left at of-
fice and when to be re-
tained*

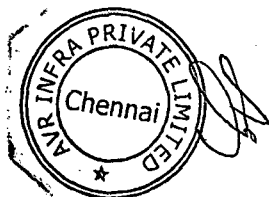
40. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which is to be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

*Notice of refusal to reg-
ister transfer*

41. If the Board refuses whether in pursuance of Articles 36 or otherwise to register the transfer of, or the transmission by operation of law of the right to, any share, the Company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.

*Fee on registration of
transfer, probate, etc.*

42. A fee not exceeding Rs. 2 may be charged for the registration of each transfer and shall, if required by the Board, be paid before the registration thereof.



3. The executor or administrator of a deceased member (not being one of 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 case of the death of any one or more of the joint-holders of any registered share, the survivor shall be the only person recognized by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator the Board may require him to obtain a Grant of Probate or letters of administration or other legal representation, as the case may be, from a competent court in India and having effect in Calcutta; Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such term as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

Fee on registration of transfer, probate, etc.

44. Any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death of bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient may with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein before contained, transfer such share.

As to transfer of shares of Insane, minor, deceased, or bankrupt members

This Article is hereinafter referred to as "The Transmission Article".

(Transmission Articles)

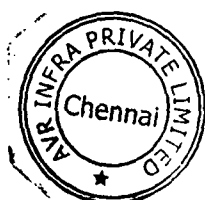
45. (1) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.46.

Election under the Transmission Article

46. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions of Article 78 and of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share.

Rights of persons entitled to shares under the transmission Article.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses and other moneys payable in respect of the share until the requirements of the notice have been complied with.



INCREASE AND REDUCTION OF CAPITAL

Power to increase capital

47. The Company may from time to time by Special Resolution increase the capital by the creation of new shares of such amount as may be deemed expedient.

On what conditions new share may be issued

48. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

Provisions relating to the issue

49. Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount; in default of any such provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provision of Article 6.

How far new shares to rank with existing shares

50. Except so far as otherwise provided by the conditions of issue or by these presents, any capital, raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien surrender and otherwise.

Inequality in number of new shares

51. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the company in general meeting, be determined by the Board.

Reduction of Capital, etc.

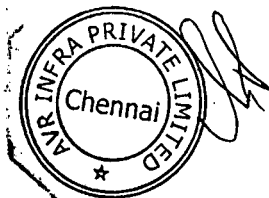
52. The Company may, from time to time, by Special resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner and with and subject to any incident authorised and consent required by law.

ALTERNATION OF CAPITAL

Power to sub-divide and consolidate shares

53. The Company may from time to time by Special Resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its existing shares or any or them into shares of smaller amount than is fixed by the memorandum so however, that in the subdivision the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.



- (c) cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

54. The Special Resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other, subject nevertheless, to the provisions of Section 85, 87, 88 and 106 of the Act.
55. Subject to the provisions of Sections 100 to 105 inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

*Sub-division
into Preference
and Equity*

*Surrender
of shares*

MODIFICATION OF RIGHTS

56. If at anytime the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued of that class, or with the sanction of a Special Resolution passed at a Separate General Meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to General Meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-fifth of the issued shares of the class but so that if at any adjourned meeting of such holder a quorum as above defined is not present those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. This Article is not by implication to curtail the power of modification the Company would have if this Article were omitted. The company shall comply with provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

*Power to modify
rights*

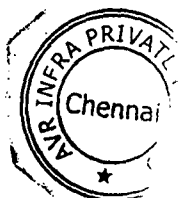
BORROWING POWERS

57. The Board may, from time to time, at its discretion, subject to the provisions of Section 292 and 370 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company.
58. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit, and, in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the company (both present and future), including its uncalled capital for the time being.
59. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of directors and otherwise. Debentures, debenture-stock, bonds and other

Power to borrow

*Conditions on
which money may
be borrowed.*

*Issue at discount,
etc. or with special
privileges.*



securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Instrument of transfer

60. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Notice of refusal to register transfer

61. If the Board refuses to register the transfer of any debentures the Company shall, within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor notice of the refusal.

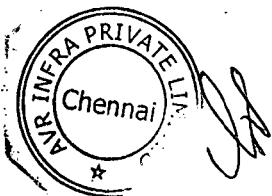
GENERAL MEETINGS

When Annual general Meeting to be held.

62. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166 (1) of the Act and, subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual general Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall except in the case where an Extraordinary General Meeting is convened under the provisions of the next following Article, be called a "General Meeting".

When other general meeting to be called

63. The Board may, whenever it thinks fit, call a general meeting, and it shall, on the requisition of such number of members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting, forthwith proceed to call an Extra-ordinary General Meeting, and in the case of such requisition the following provisions shall apply:
- (1) The requisition, shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the office. the requisition may consist of several documents in like form each signed by one or more requisitionists.
 - (2) Where two or more distinct matters are specified in the requisition, shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members herein before specified.
 - (3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169 (6b) of the Act may themselves call the meeting but any meeting so called shall not be commenced after three months from the date of deposit.
 - (4) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board but shall be held at the Office.
 - (5) Where two or more persons hold any shares jointly a requisition or notice calling a meeting signed by one or some only of them shall for the purposes of this Articles have the same force and effect as if it had been signed by all of them.



- (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.

64. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions, and circulating statements on the requisition of members.

Circulation of members resolutions

65. (1) save as provided in sub-section (2) of Section 171 of the Act, not less than twenty-one days notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. where any such business consists of "Special Business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act.
- (2) Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner thereafter authorised for the giving of notices to such persons. Provided that where the notice of a general meeting is given by advertising, the same in a newspaper circulating in the neighbourhood of the Office under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173(2) of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
- (3) The accidental omission to give any such notice to or its non-receipt by any member or other person or other person to whom it should be given shall not invalidate the proceedings of the meeting.

Notice of Meeting

PROCEEDINGS AT GENERAL MEETINGS

66. The ordinary Business of an Annual general meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business.

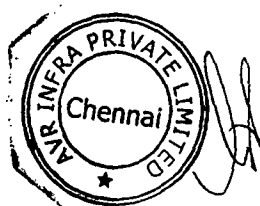
Business of Meetings

67. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds of business. Save as herein otherwise provided five members present in person shall be a quorum.

Quorum to be present when business commenced.

68. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless

Resolution to be passed by company in General Meeting



the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.

Chairman of General Meeting

69. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Director present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, on elect one of their number, being a member entitled to vote, to be Chairman.

When, if quorum not present meeting to be dissolved and when to be adjourned.

70. If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such time and place as the board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.

How questions to be decided at meeting

71. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

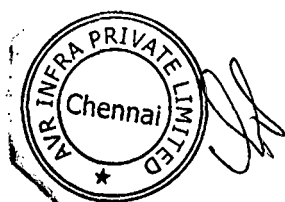
What is to be evidence of the passing of a resolution where poll not demanded

72. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of his own motion, or by at least five members having the right to vote on the resolution in question and present in person or by proxy, or by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that the resolution has or has not been carried, or has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against the resolution.

Poll

73. (1) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

- (2) The demand of a poll may be withdrawn at anytime.



- (3) Where a poll is to be taken the Chairman of the meeting shall appoint two Scrutineers, one at least of whom shall be a members (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.
 - (4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
 - (5) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
74. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

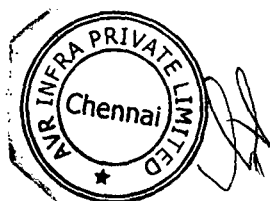
Power to adjourn general meeting.

VOTES OF MEMBERS

75. On a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share held by him provided that no company or body corporate shall vote by proxy so long as a resolution of its board of directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.
76. Where a company or a body corporate (herein after called "member company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the company, shall not, by reason of such appointment, be deemed to be a proxy and the lodging with the company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such member company and by its Managing Agents (if any) and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

Votes of members

Procedure where a company is a member of the Company



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Votes in respect of deceased, insane and insolvent members

77. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non composments, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other legal curator and such last- mentioned persons may give their votes by proxy.

Joint-holders

78. Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holder be present at any meeting either personally, or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this Article be deemed joint-holders thereof.

Proxies permitted

79. On a poll votes may be given either personally or by proxy, or, in the case of a body corporate by a representative duly authorised as aforesaid.

Instrument appointing proxy to be in writing

80. (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his Attorney duly authorised in writing or if such appointor is a body corporate be under its common seal or the hand of its officer or Attorney duly authorised.

Proxies may be general or special

Proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other Proxy shall be called a General Proxy.

Instrument appointing a proxy to be deposited at the office

(2) No person shall be appointed a Special Proxy who is not a member of the Company and qualified to vote.

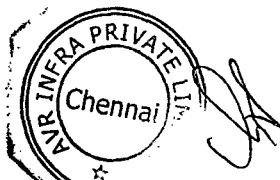
81. The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

When vote by proxy valid through authority revoked

82. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given; Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Form of instrument appointing a Special Proxy

83. Every instrument appointing a Special Proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in the form or to the effect following.



A handwritten signature, possibly "G. H.", written in dark ink.

IMC LIMITED

I/We _____ of _____
being a member of IMC Limited hereby appoint _____ of (or failing him _____ of or failing him _____)
(_____ of _____) as my/our Proxy to attend
and vote for me/us and on my/our behalf at the (Annual or Extra
ordinary as the case may be) General Meeting of the Company to be held on the _____ day of _____ 19____
and at any adjournment thereof as witness my/our hand(s) this
day of 19____ Signed by the said.

Provided always that an instrument appointing a Special Proxy may be in any of the forms set out in Schedule IX to the Act.

84. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien. *Restrictions on Voting*
85. (1) Any objection as to the admission or rejection of a vote, either, on a show of hands, or on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive. *Admission or rejection of votes*
- (2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

86. Unless otherwise determined by special resolution, the number of directors of the company shall not be less than three nor more than twelve, or such other overall limit as may be determined from time to time. *Number of Directors*
87. At the date of the adoption of these Articles, the following persons are the Directors of the Company:- *Directors in office at the date of adoption of these Articles*

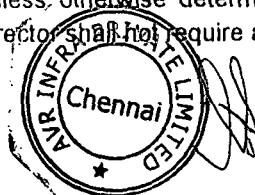
Mr. DOUGLAS GORDON COWIE

Mr. GEORGE WALTER SCOOT

AND

Mr. AJAY BALRAM

88. The Board shall have power, at any time and from time to time, to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election. *Power of Board to add to its number.*
89. Unless, otherwise determined by the Company in general meeting, a Director shall not require any qualification. *Share qualification of Directors.*



Director's fees remuneration and expenses.

90. Until otherwise determined by the company in general meeting, a Director (other than a Managing Director) shall not be entitled to receive any remuneration for his services as such. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending at Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.

Remuneration for extra service

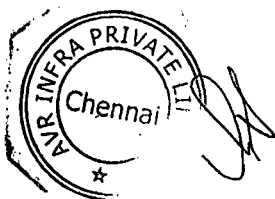
91. Notwithstanding the provisions of the foregoing Article, if any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from Calcutta for any of the purposes of the Company or in giving special attention to the business of the company or as a member of a committee of the Board then, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either, in addition to or in substitution for any other remuneration to which he may be entitled.

Board may act notwithstanding vacancy

92. The continuing Directors may act, notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

Vacation of office of Director

93. (1) The office of a Director shall ipso facto become vacant if:
- (a) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (b) he applies to be adjudicated an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (d) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
 - (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
 - (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or
 - (g) he acts in contravention of Section 299 of the Act; or
 - (h) he becomes disqualified by an order of Court under Section 203 of the Act; or
 - (i) he be removed from office in pursuance of Section 284 of the Act; or
 - (j) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or



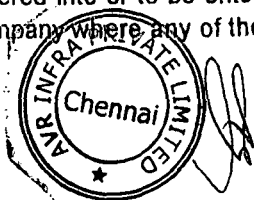
- (k) by notice in writing to the company he resigns his office; or
 - (l) any office or place of profit under the Company or under any subsidiary of the company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate office; or
 - (m) if (not being a Managing Director) he be requested in writing by the Managing Director to resign.
 - (2) Notwithstanding any matter or thing in sub-clauses (d), (e) and (j) of clause (1), the disqualification referred to in those sub-clauses shall not take effect:
 - (a) for thirty days from the date of adjudication, sentence or order; or
 - (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
 - (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petitions is disposed of.
94. Any Director or other person referred to in Section 314 of the Act may be appointed to or hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with the provisions of Section 314 of the Act
95. A director of this company may be or become a director of any other company promoted by this company or in which it may be interested as a member, share-holder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company.
96. Subject to the provisions of Section 297 of the Act neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.
97. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into, by or on behalf of the company not being a contract or arrangement entered into or to be entered into between the Company and any other company where any of the directors of the Company or two or more of

office of profit.

When Director of this company appointed director of a company in which the company is interested either as a member or otherwise

Conditions under which Directors may contract with company

Disclosure of a Director's interest



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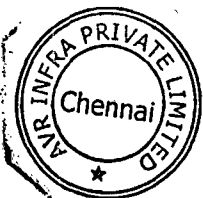
them together holds or hold not more than two per cent. of the paid up share capital in the other company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a Director or member and of all firms of which he is a member.

***Directors may contract
with Company***

98. The Directors shall not be disqualified from contracting with the company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the company with any company or partnership or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, but the nature of their or his interest must be disclosed by them or him at the meeting of the Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the interest. Provided nevertheless that unless expressly authorised so to do by the company in general meeting, no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if he do so vote his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting and shall be reckoned for the purpose of ascertaining whether there be a quorum of Directors present. This provision shall not apply to any contract by or on behalf of the company to give to the Directors or any of them any security for advances or by way of indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the company. A general notice that any Director is a member of any specified firm or company and is to be regarded as interested in any subsequent transaction with such firm or company shall as regards any such transaction be sufficient disclosure under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.

ROTATION OF DIRECTORS

99. Until otherwise determined by Special Resolution, the Directors for the time being shall continue to hold office subject only to the provisions of Article 94.



A handwritten signature in dark ink, appearing to be "S. S. S." or similar.

A handwritten signature in dark ink, appearing to be "S. S. S." or similar.

100. The company in general meeting may from time to time increase or reduce the number of Directors within the limits fixed by Article 87.

Company in general meeting to increase or reduce number of Directors

101. The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which Special Notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which Special Notice has been given, appoint another person in his stead, if the Director so removed was appointed by the Company in general meeting or by the Board under Article 103. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed the Board may at anytime thereafter fill such vacancy under the provisions of Article 103.

Power to remove Director by ordinary resolution on Special Notice

102. If any Director appointed by the company in general meeting vacates office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled up by the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 102.

Board may fill up casual vacancies

ALTERNATE DIRECTORS

103. The Board may appoint any person to act as alternate director for a Director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly; but he shall ipso facto vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

Power to appoint alternate Director

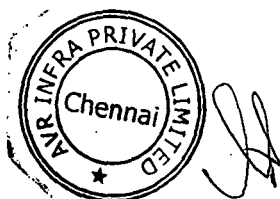
PROCEEDINGS OF DIRECTORS

104. The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit; provided that at least four such meetings shall be held in every year. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. Unless otherwise determined from time to time and at anytime by the consent of all the Directors for the time being in India, meetings of the Board shall take place at the office.

Meetings of Directors

105. A Director may, at any time, and the Secretary Shall, upon the request of a Director made at any time, convene a meeting of the Board.

Director may summon meeting



Chairman

106. The Board shall appoint Chairman of its meetings and determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

Quorum

107. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

Powers of quorum

108. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.

How questions to be decided

109. Question arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

Power to appoint Committees and to delegate

110. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Proceedings of Committees

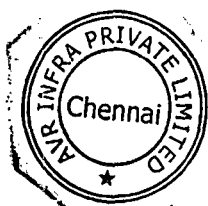
111. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.

When acts of a Director valid not with standing defective appointment etc.

112. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was in valid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution without Board Meeting

113. Save in those cases where a resolution is required by Sections 292 and 297 of the act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.



MINUTES

- 114 (1) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept by making within thirty days of the conclusion of every general meeting and of every meeting of the Board or of every committee of the Board, entries thereof in books provided for the purpose with their pages consecutively numbered, each page of every such book being initialled or signed and the last page of the record of proceedings of each meeting in such books being dated and signed, in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting, and in the case of minutes of proceedings of a general meeting, by the chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of that Chairman within the period, by a director duly authorised by the Boards for the Purpose, provided that in no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.

Minutes to be made

The Minutes shall contain particulars

- (a) of the names of the Directors present at each meeting of the Board and of any committee of the Board and in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in, the resolution;
- (b) of all orders made by the Board and committees of the Board;
- (c) of all appointments of Directors and other officers of the Company; and
- (d) of all proceedings of general meetings of the company and of meetings of the Board and committees of the Board.

The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

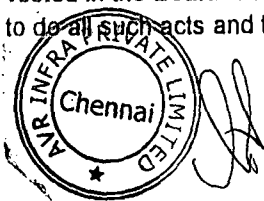
PROVIDED that no matter need be included in any such Minutes which the Chairman of the meeting, in his absolute discretion, is of opinion.

- (a) is, or could reasonably be regarded as, defamatory of any person;
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the company.
- (2) Any such Minutes of any meeting of the Board or of any committee of the Board or of the Company in general meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matter stated in such minutes. The minutes book of general meeting of the company shall be kept at the office and shall be open to inspection by members during the hours of 10 A.M. and 12 Noon on such business days as the Act requires them to be open for inspection.

POWERS OF THE BOARD

115. Subject to the provisions of the Act, the control of the company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise

General powers of company vested in the Board



all such powers and to do all such acts and things as the company is authorised to exercise and do: Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the memorandum of the company or by these articles or otherwise, to be exercised or done by the company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulation made by the company in general meeting, but no regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

MANAGING DIRECTORS

Power to appoint Managing Director

116. (1) Subject to the provisions of sections 197A, 198, 267, 310 of the Act, the board may appoint or re-appoint to be the managing directors of the company for such period not exceeding five years as they may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.

Remuneration of Managing Director

- (2) The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the company in General Meeting and of the Central Government.

Power of Managing Director

- (3) Subject to the provisions of Section 292 of the Act the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit; and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

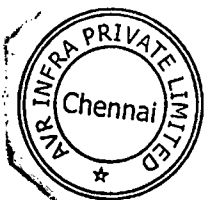
Existing Managing Director

- (4) At the date of the adoption of these Articles Mr. Douglas Gordon Cowie is the Managing Director of the Company and shall continue to hold such office subject to the provisions of these Articles and to the terms of the Agreement entered into by him with the Company.

THE SEAL

Custody of Seal

117. The Board shall provide for the safe custody of the seal and the seal shall never be used except by the authority previously given of the Board or a committee of the Board authorised by the Board in that behalf and, save as provided in Article 14 (1) hereof, any two Directors or one Director and the secretary or one Director and such other person as the Board may appoint shall sign every instrument to which the Seal is affixed. Provided nevertheless, that any instrument bearing the seal of the company and



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issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

118. The company shall comply with the provisions of Sections 159 and 161 of the Act as to the making of Annual Returns.

Annual Returns

RESERVES

119. The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the company and for such other purposes of the company as the Board in its absolute discretion thinks conducive to the interests of the Company; and may, subject to the provision of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of the company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any parts thereof in the business of the company, and that without being bound to keep the same separate from the other assets.

Reserves

120. All moneys carried to the Reserves shall nevertheless remain and be profits of the company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the company not immediately required for the purposes of the company may, subject to the provisions of sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank or deposit or otherwise as the Board may, from time to time, think proper.

*Investment
of money*

CAPITALISATION OF RESERVES

121. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the company standing to the credit of the Reserves, or any capital Redemption Reserve Account, or in the hands of the company and available for dividend or representing premiums received on the issue of shares and standing to the credit of share premium Account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such share holders in paying up in full any unissued shares, debentures or debenture-stock of the company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

*Capitalisation
of Reserves*



Surplus moneys

122. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the company or any investments representing the same, or any other undistributed profits of the company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

Fractional certificates

123. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filled in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

DIVIDENDS

How Profits shall be divisible

124. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits of the company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company but so that a partly paid up share shall only entitle the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not rank for dividends or confer a right to participate in profits.

Declaration of dividends

125. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provision of Section 207 of the Act, fix the time for payment.

Restrictions on amount of dividends.

126. No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.

Dividend

127. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

What to be deemed net profits

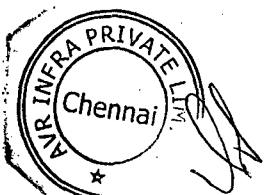
128. The declaration of the Board to the amount of the net profits of the company shall be conclusive.

Interim dividends

129. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

Debts may be deducted

130. The Board may deduct from any dividend payable to any member all sums of money, if any presently payable by him to the Company on account of calls on shares or otherwise.

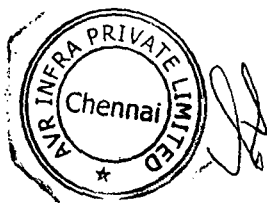


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| 131. | Any general meeting declaring a dividend may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call. | <i>Dividends and call to gether</i> |
| 132. | No dividend shall be payable except in cash: Provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the being unpaid on the shares held by the members of the Company. | <i>Dividend in cash</i> |
| 133. | A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company. | <i>Effect of transfer</i> |
| 134. | The Company may pay interest on capital raised for the construction of works or buildings when and so far as it shall be authorised to do by Section 208 of the Act. | <i>Payment of interest on capital</i> |
| 135. | No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the banker of a registered share-holder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 134. | <i>To whom dividends payable</i> |
| 136. | Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such shares. | <i>Dividend to joint holders</i> |
| 137. | Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided. | <i>Notice of dividends.</i> |
| 138. | Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the holder or in the case of joint- holders to the registered address of that one of the Joint holders who is the first named in the Register in respect of the joint-holding or to such person and such address as the holder or joint-holders as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. | <i>Payment by post</i> |
| 139. | Any dividend unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and any dividend unclaimed till the claim thereto becomes barred by law may be forfeited by the Board for the benefit of the Company, but the Board may annul the forfeiture wherever it may think proper. | <i>Unclaimed dividends</i> |

BOOK AND DOCUMENTS

- | | | |
|------|---|------------------------------------|
| 140. | The Board shall cause to be kept in accordance with Section 209 of the Act proper books of account with respect to: | <i>Books of Account to be kept</i> |
| | (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place: | |



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- (b) All sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company; and
- (d) any other particulars as may be required by Section 209 of the Act.

Where to be kept

141. The books of account shall be kept at the office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

Inspection

142. (1) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (2) Subject to the provisions of Section 209 of the Act, the books of account shall also be open to inspection by the Registrar or by any officer of government authorised by the Central Government in this behalf.
- (3) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Article 115(2) and 167 or any of them, shall be open to the inspection of the members not being Directors and no member (Not being a Director) shall have any right of inspecting any books of account or book or document of the Company except as conferred by law or authorised by the board or by the Company in general meeting.

Books of Account to be preserved

143. The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

BALANCE SHEET AND ACCOUNTS

Balance Sheet and Profit and Loss Account

144. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 & 216 and of Schedule VI to the Act so far as they are applicable to the company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

Annual Report of Directors.

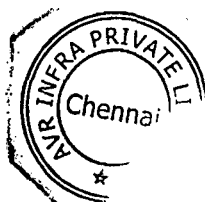
145. There shall be attached to every Balance Sheet laid before the Company a report by the Board complying with Section 217 of the Act.

Copies to be sent to members and others

146. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meeting be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section.

Copies of Balance Sheet etc, to be filed

147. The Company shall comply with Section 220 of the Act, as to filing copies of the balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Register.



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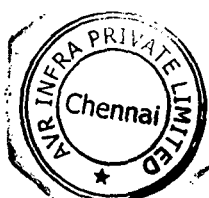
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AUDIT

148. Once at least in every year the books of accounts of the Company shall be examined by one or more Auditor or auditors. *Accounts to be audited annually*
149. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is or they are retiring Auditor or Auditors. The appointment, remuneration rights and duties of the Auditor or Auditors shall be regulated by Section 224 to 227 of the Act. *Appointment and remuneration of Auditors*
150. Where the Company has a branch office the provisions of Section 228 of the Act shall apply. *Audit of accounts of branch office of Company*
151. All notices of, and other communications relating to any General meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any general meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. *Right of Auditor to attend general meeting*
152. The Auditor's Report (including the Auditors separate, special or supplementary report, if any) shall be read before the Company in general meeting and shall be open to inspection by any member of the Company. *Auditor's Report to be read*
153. Every balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in general meeting shall be conclusive except as regard any error discover there in within three months next after the adoption thereof. whenever any such error is discovered within that period the account shall forthwith be corrected and thence forth shall be conclusive. *When accounts to be deemed finally settled.*

SERVICE OF NOTICES AND DOCUMENTS

154. (1) A notice or other document may be given by the company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any within India supplied by him to the company for the giving of notices to him. *How notices to be served on members*
- (2) Where a notice or other document is sent by post; *Service by post*
- (a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- (b) such service shall be deemed to have been effected:



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- (i) In the case of a notice of a meeting at the expiration of forty- eight hours after the letter containing the same is posted and
- (ii) In any other case, at the time at which the letter would be delivered in ordinary course of post.

Notices to members who have not supplied addresses.

155. A notice or other document advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the company an address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.

Notice to joint-holders

158. A notice or other document may be served by the company on his Joint-holders of a share by giving the notice to the Joint-holder named first in the Register in respect of the share.

Notice to persons entitled by transmission

157. A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

When notice may be given by advertisement

158. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.

How to be advertised

159. Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighbourhood of the office.

When notice by advertisement deemed to be served.

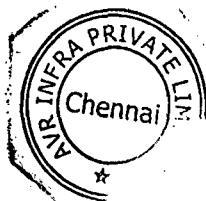
160. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

Transferee, etc., bound by prior notices

161. Every person who by operation of law transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

Notice valid though member deceased

162. Subject to the provisions of Article 158, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint-holders thereof and such services shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any Jointly interested with him in any such share.



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163. Subject to the provisions of Sections 497 and 509 of the Act, in the event of a winding-up of the Company, every member of the Company who is not for the time being in Calcutta shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the company to serve notice in writing on the company appointing some house-holder residing in the neighbourhood of the Office upon whom all summons, notices, process orders and judgements in relation to or under the winding-up of the company may be served, and, in default of such nomination, the liquidator of the company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the Office or by a registered letter sent by post and addressed to such member at his address as registered in the register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

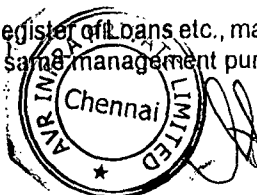
*Service of process
in winding-up*

KEEPING OF REGISTERS AND INSPECTION

164. The Company shall duly keep and maintain at the Office, in accordance with the requirements of the Act in that behalf, the following Registers:

*Registers, etc.,
to be maintained
by Company*

- (1) A Register of Investments not held by the Company in its own name pursuant to Section 49 (7) of the Act.
- (2) As Register of Charges pursuant to Section 143 of the Act.
- (3) A Register of Members pursuant to Section 150 and, whenever the Company has more than 50 members, unless such Register of member's is in a form which itself constitutes an index, an index of member pursuant to Section 151 of the Act.
- (4) A Register of renewed and Duplicate Certificates pursuant to Rule 7(2) of The Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof.
- (5) A register of Debenture-holders pursuant to Section 152 and, whenever the Company has more than 50 Debenture-holders unless such Register of Debenture-holder itself constitutes an index, an index of Debenture-holders pursuant to Section 152(2) of the Act.
- (6) A Register of Contracts pursuant to Section 301 of the Act.
- (7) A Register of Directors, Managing Agents, Secretaries and Treasurers, managers, Managing Director and Secretary pursuant to Section 303 of the Act.
- (8) A Register of Directors' Shares holdings pursuant to Section 307 of the Act.
- (9) A Register of Loans etc., made by the Company to companies under the same management pursuant to Section 370 of the Act.



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Supply of copies Registers etc.,

165. The Company shall comply with the provisions of Sections 39, 118, 103, 192, 196, 219, 301, 302, 304, 307 & 370 of the Act has to the supplying of copies of the Registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the persons therein specified when so required by such persons on payment of the charges, if any, prescribed by the said Sections.

Inspection of Registers, etc.,

166. Where under any provision of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return certificates, deed instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10 A.M. and 12 Noon on such business days as the Act requires them to be open for inspection.

When registers of members and debenture holders may be closed.

167. The Company may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the office is situate close the Register of Members or the Register of Debenture-holders, as the case may be for any period or periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time.

RECONSTRUCTION

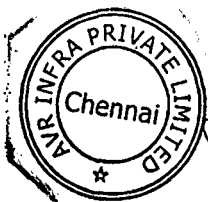
Reconstruction

168. On any sale of the undertaking of the Company. The Board or the Liquidators on a winding-up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustee for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

SECRECY

Secrecy

169. Every Director, Manager, Secretary, Trustee for the Company, its members or debenture-holders, member of a committee, officer, servant, agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board or by the Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his know-



Handwritten signature or initials.

ledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

170. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or of the Managing Director or, subject to Article 143, to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board or Managing Director it will be inexpedient in the interest of the Company to communicate.

No member to enter the premises of the company without permission

WINDING-UP

71. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up of the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
172. If the Company shall be wound-up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a Special Resolution, divide among the contributories, in Specie or Kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit.

Distribution of assets

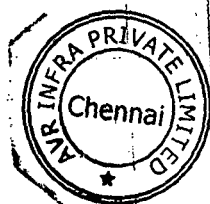
Distribution of assets in specie

INDEMNITY

173. Every Director, Manager, Secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditor shall be Indemnified out of the funds of the Company against all liability incurred by him as such director, Manager, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under Section 833 of the Act in which relief is granted to him by the court.

Indemnity

Copy of Special Resolution passed on the 15th day of October 1969. "That the Regulations contained in the document submitted to the meeting and for the purpose of identification signed by the Chairman thereof be and the same are hereby approved and adopted as the articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof".



Handwritten signature or initials.



IMC LIMITED

Corporate Office : 39, Kasturba Ranga Road, Alwarpet, Chennai - 600 018, India. Tel : 2499 4880, 2466 1892
Fax: 91-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

31st Mar 2010

(for)

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

Dear Sir,

Sub: Development of Eastern Quay - 10 (Eq-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on DBFOT basis

Ref: 1) Our bid dated 25-9-2009
2) Your letter No IENG / EE/projects/EQ-10/Pt-V/112 dated 1-3-2010
3) Our Letter dated 8th March 2010

This is to inform you that we are in the process of forming the Special Purpose Company (SPC) with our consortium member ITD Cementation India Limited for the subject project.

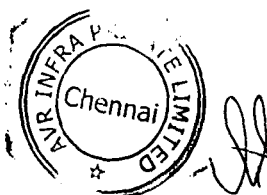
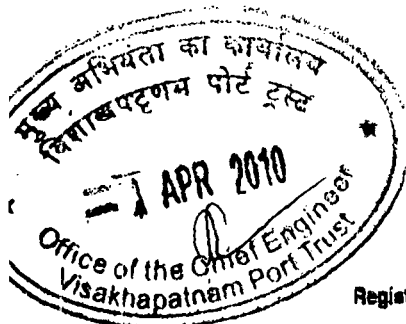
We will submit the details of the SPC to you with the supporting documents on or before April 30, 2010 to enable us to enter into the Concession Agreement.

We would also like to clarify with you a few clauses relating to Concession Agreement and would be communicating with you on these during the next few days.

Thanking you,

Yours Faithfully
for IMC Limited

Ajay Kumar Sahoo
Vice President - Business Development



Registered Office : 232/A, Acharya Jagdish Bose Road, Calcutta - 700 020, India.

252



IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India. Tel : 2499 4880; 2466 1892
Fax: 91- 44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

15th March 2010

To

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam – 530 035

Dear Sir,

Sub: Development of Eastern Quay – 10 (Eq-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on “DBFOT” basis – Extension of Bank Guarantee

Ref : Our Bid dated 25th Sep 2009

This has reference to your letter No: IENG / EE(projects)/EQ-10/Pt-V/129 dated 8th March 2010.

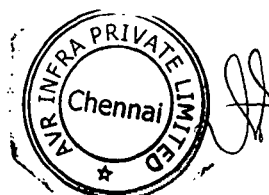
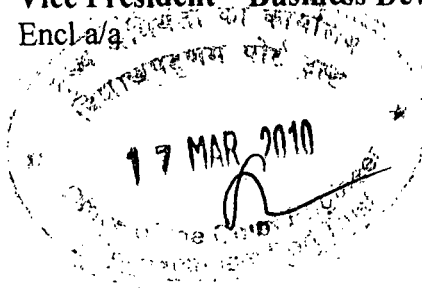
We wish to extend our Bank Guarantee No: 084809IGFIN0010 dated 22nd Sep 2009 for further period of 6 months from **25th Mar 2010 upto 25th Sep 2010**

Please find enclosed the same duly signed from Andhra Bank, Chennai.

Thanking you,

Yours faithfully
for IMC Limited

Ajay Kumar Sahoo
Vice President – Business Development
Encl: a/a





IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018, India. Tel : 2499 4880, 2466 1892
Fax: 91-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

8th March 2010

To

The Secretary & Attorney of the Board
Visakhapatnam Port Trust
Visakhapatnam

Kind Attn: Mr D Naresh Kumar, Secretary

Dear Sir,

Sub: Development of Eastern Quay – 10 (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on DBFOT basis - Letter of Award

Ref: 1) Our Bid dated 25-9-2009

2) Our Letter dated 6-1-2010

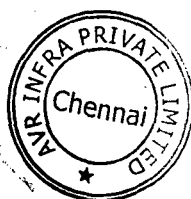
3) Your letter No IENG /EE(Projects)/EQ-10/Pt-V/112 dated 1-3-2010

At the outset we thank Visakhapatnam Port Trust for issuing Letter of Award for EQ-10 Projects. We have received the letter on 6th March 2010. We will send our acceptance within 7 days from 6th March 2010.

Thanking you,

Yours faithfully
for **IMC Limited**

Ajay Kumar Sahoo
Vice President - Business Development



SPED POST

విశాఖపట్నం పోర్ట్ ట్రస్ట్ /ఇంజనీరింగ్ విభాగం
VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-V/126
Dt 8-3-2010.

To
M/s. IMC Ltd.,
Corporate Office, : 39, Kasturi Ranga Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

Ref: Your bid Dt. 25-9-2009.

Please refer to your Bid Dt. 25-9-2009, wherein you have submitted BG bearing NO 08809
I GFIN 0010 Dt. 22-09-09 for Rs. 55,38,000/- along with Bid towards Bid security for the subject
Project.

In this connection, it is to inform that the above BG submitted by you will expire by 21-03-
2010.

Therefore, it is requested to arrange to extend the validity of the BG NO 08809 I GFIN
0010 Dt. 22-09-09 for Rs. 55,38,000/- for a further period of six months from 21-3-2010.

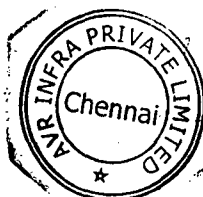
Top priority may please be given to this issue.

Yours faithfully,

CHIEF ENGINEER

Copy to : The Asst. General Manager, Andhra Bank, Mount Road, CHENNAI 600002 for
information and it is requested to remit the proceeds to RE Section, FA&CAO Dept.,
VPT, immediately, if the Bidder, M/s. IMC Ltd. Chennai does not extend the validity
of the above BG for a further period as requested above.
PLEASE TREAT THIS AS OUR VALID CLAIM.

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



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PPI projects

BY REGISTERED POST WITH ACK DUE



VISAKHAPATNAM PORT TRUST/ENGINEERING DEPARTMENT

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001 PORT

No: IENG/EE(Projects)/EQ -10/Pt-V/112
Dt. 1-3-2010.

To
M/s. IMC Ltd.,
Corporate Office, : 39, Kasturi Ranga Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

- Ref: 1. Your bid Dt. 25-9-2009.
2. Your letter Dt. 6-1-2010.

Your bid for the subject Project ie., Development of Eastern Quay - 10 (EQ -10) berth in
the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis submitted vide your bid dt. 25-9-2009 with your subsequent revised offer vide
your letter dated 6-1-2010 cited 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,

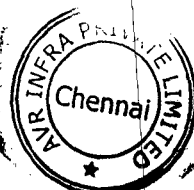
[Signature]
Secretary &
Attorney of the Board

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

M/S IMC Ltd.,
10-1-30.

Waltair Uplands

Visakhapatnam. 530003



FAX: 91-891-2754137

4120
SPEED POST

REMINDER - 1

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



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-V/ 10
Dt: 22-2-2010.

To
M/s. IMC Ltd.,
Corporate Office, : 39, Kasturi Ranga Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

- Ref: 1. Your bid Dt. 25-9-2009.
2. This office letter No. IENG/EE(Projects)/EQ-10/Pt. V/ 53 Dt. 20-1-09.
3. Your letter Dt. 25-1-2010.
4. This office letter No. IENG/EE(Projects)/EQ-10/Pt.V/95 Dt. 17-2-2010.

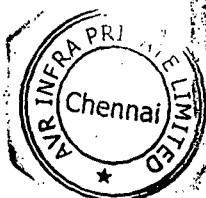
Please refer to this office letter 4th cited, wherein, you have been requested to extend the
validity of your bid (RFP) for the subject Project work for a further period of 90 days in terms of
clause 2.17 of RFP Document i.e., from 25-2-2010, as the validity period of your bid (RFP) will
expire by 24-2-2010. But, the reply is yet to be received in this office on the subject issue.

Please expedite submission of the extension of validity of your bid (RFP) for the subject
Project work immediately to enable this office to take further action.

Yours faithfully,


CHIEF ENGINEER

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



SPE POST

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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-V/ 9
Dt. 17-2-2010

To
M/s. IMC Ltd.,
Corporate Office, : 39, Kasturi Ranga Road,
Alwarpet,
CHENNAI - 600 018.

ATTN: AJAY KUMAR SAHOO, VICE PRESIDENT, BUSINESS DEVELOPMENT

FAX No: 91 44 2466 1738

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

- Ref: 1. Your bid Dt. 25-9-2009.
2. This office letter No. IENG/EE(Projects)/EQ-10/Pt. V/ 53 Dt. 20-1-09.
3. Your letter Dt. 25-1-2010.

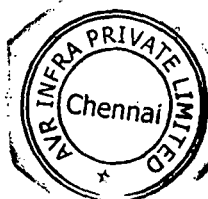
Please refer to your bid Dt. 25-9-2009 and your letter Dt. 25-1-2010.

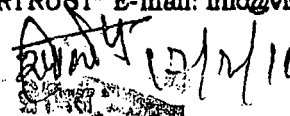
You are requested to extend the validity of your bid (RFP) for the subject Project work for
a further period of 90 days in terms of clause 2.17 of RFP Document ie., from 25-2-2010, as the
validity period of your bid (RFP) will expire by 24-2-2010.

Yours faithfully,


CHIEF ENGINEER

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




RECEIVED



IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

Dt. 23rd January, 2010

Sirs,


Sub :- Development of Eastern Quay - 10 (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on 'DBFOT' basis Reg.

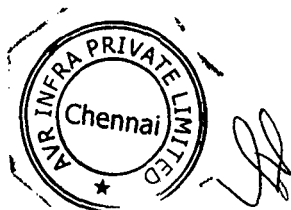
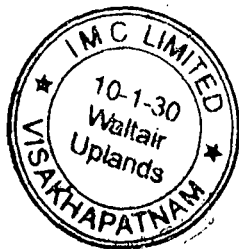
Ref :- Our Bid Dated 25.09.2009 - Your Letter No.IENG/EE(Projects)/EQ-10/Pt-V/53 Dt.20.01.2010.

This has reference to our BID dated 25.09.2009 and request you to extend the validity period for the subject project work for a further period of 3 months, i.e., from 25.01.2010, since the same will be expired by 24th January, 2010 in terms of clause 2.17 of RFQ.

Thanking you,

Yours faithfully
for IMC Limited


Authorized Signatory



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



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-V/53
Dt. 20-1-2010.

To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM – 530 003.

FAX No: 0891 2754137

Dear Sir,

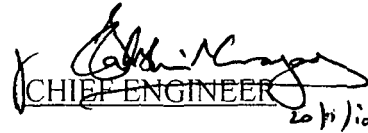
Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

Ref: Your bid Dt. 25-9-2009.

Please refer to your bid Dt. 25-9-2009.

You are requested to extend the validity of your bid (RFP) for the subject Project work for
a further period of 3 (three) months ie., from 25-1-2010, as the validity period of your bid (RFP)
will be expired by 24-1-2010 in terms of clause 2.17 of RFP Document.

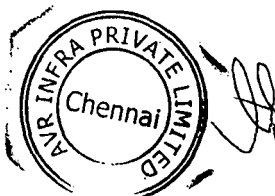
Yours faithfully,


CHIEF ENGINEER

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

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

Recd on
22/1/2010
W







IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

6th January, 2010

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

Sir,

Sub :- Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on Build, Operate and Transfer (BOT) basis

Ref :- (1) Our RFP application dated Sep 25, 2009.
(2) Our Meetings with the Senior Tender Committee at VPT on 19.10.2009, 09.12.2009 and 28.12.2009.
(3) Our meeting with Chairman and Dy. Chairman on 05.01.2010

We thank you very much for inviting us for discussions on our bid dated 25.09.2009 for the subject project.

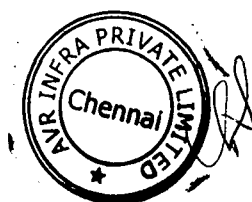
With reference to the Letter comprising the Bid (Appendix-1) of our RFP application, we confirm that paragraph 26 is revised as below :

26. We hereby submit our revised Bid and offer a Gross Revenue Share of 19.08% (Nineteen decimal Zero eight percent) for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement.

All other terms and conditions of our bid shall continue to remain valid.

Yours truly,
for IMC Limited

Authorized Signatory



6/1/2010



IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

31st Dec, 2009

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

Sub :- Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on Build, Operate and Transfer (BOT) basis

Ref :- (1) Our RFP application dated Sep 25, 2009,
(2) Our Meetings with the Senior Tender Committee at VPT on 19.10.2009, 09.12.2009 and 28.12.2009.

We thank you very much for inviting us for discussions on our bid dated 25.09.2009 for the subject project.

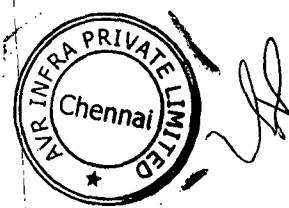
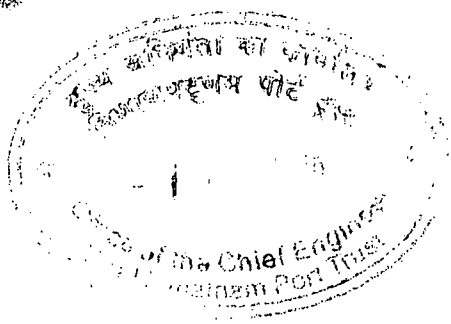
With reference to the Letter comprising the Bid (Appendix-I) of our RFP application, we confirm that paragraph 26 is revised as below :

26. We hereby submit our revised Bid and offer a Gross Revenue Share of 18.18% (Eighteen decimal one eight percent) for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement.

All other terms and conditions of our bid shall continue to remain valid.

Yours truly,
for IMC Limited

Authorized Signatory





IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

31st Dec, 2009

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

Sub :- Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on Build, Operate and Transfer (BOT) basis

Ref :- (1) Our RFP application dated Sep 25, 2009.
(2) Our Meetings with the Senior Tender Committee at VPT on 19.10.2009, 09.12.2009 and 28.12.2009.

We thank you very much for inviting us for discussions on our bid dated 25.09.2009 for the subject project.

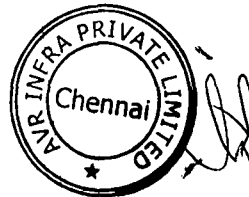
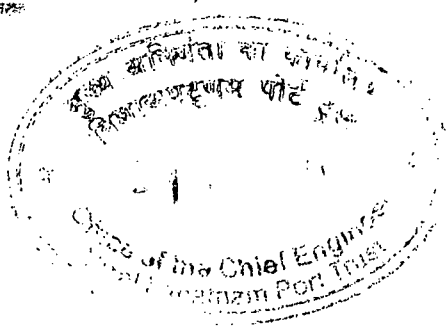
With reference to the Letter comprising the Bid (Appendix-I) of our RFP application, we confirm that paragraph 26 is revised as below :

26. We hereby submit our revised Bid and offer a Gross Revenue Share of 18.18% (Eighteen decimal one eight percent) for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement.

All other terms and conditions of our bid shall continue to remain valid.

Yours truly,
for IMC Limited

Authorized Signatory





IMC LIMITED

10-1-30, Waltair-Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax 91-891-2754137
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Ref :- (1) Our RFP application dated Sep 25, 2009.
(2) Our Meetings with the Senior Tender Committee at VPT on 19.10.2009, 09.12.2009 and 28.12.2009.

Dear Sir

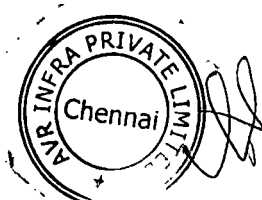
We thank you very much for the kind courtesy meted out to us during the meeting with the Sr. Tender Committee on 28th Dec 2009.

At the outset, we clarify that the project viability calculations that we provided to you was based on 30 years period and not for 10 years. The calculation sheet contained information for 10 years. As required, we are enclosing the full IRR calculations based on 30 years License period.

As mentioned during discussions, our projections are based on optimistic traffic figures and the actual realizable traffic for the EQ-10 berth could be lower than the projections given in the Techno Economic Feasibility Report (TEFR).

- (1) The GRT of the vessels as projected in the Feasibility Report is higher than the GRT of the vessels that can be berthed at EQ-10 without using the EQ-9 berth. We are enclosing Q88 of some of the typical chemical tankers for your ready reference. You would note that the GRT figures are lower and this would mean that the projected berth hire revenues may not be realized, leading to lower revenues.

Contd..02





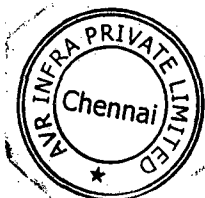
IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel. 2754250, 2755612 Fax 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

:: 02 ::

- (2) The TEFR includes traffic from the proposed biodiesel plant of M/s Ashok Leyland - 0.3 MMT of CPO imports and 0.3 MMT exports of Bio-Diesel and the plant was scheduled to commence construction by Jan 2007. However, the project has seen no progress till date. We understand from VSEZ and Ashok Leyland themselves that the Project has faced inordinate delays due to serious issues over its financial viability and it is unlikely that the Project will come up in the foreseeable future.
- (3) World over, the Bio-diesel industry has been unviable during the last 2-3 years due to various reasons such as unfavorable feed stock price compared to the biodiesel prices, reduction in market demand for biodiesel, fluctuating policies of various governments etc and this trend is expected to be prevalent for the next 4-5 years. Therefore, the traffic potential from biodiesel units is also not certain, which would hurt the project's prospects in the near term.
- (4) We would like to draw your attention to the reports of working group as per TEFR which envisaged a total import of 1.0 MMT Caustic Soda Lye through Vizag Port by the year 2011-12, of which 0.3 MMT pa to 0.497 MMT pa is projected to be handled at EQ-10. However, in reality, a significant quantity of the caustic lye will continue to be handled at WQ-5 terminal. Further, VPT has initiated action to develop the WQ-7 and WQ-8 terminals, which are also permitted to handle Caustic Soda Lye. In such a scenario, it is likely that the projected traffic figures for caustic soda lye in the feasibility report may not be achievable for EQ-10 in the near future.
- (5) The TEFR projects an investment on 6 Nos. storage tanks with capacities of 3000 KL each for handling of total throughput of 1.84 MMT per annum. This capacity is grossly inadequate to handle the projected traffic of 1.84 MMT per annum. For instance, our existing tank farm at North of S-4 Gallery of 75,000 KL capacity is barely sufficient to handle 0.40 MMT. You would therefore appreciate that further investment for storage facilities would have to be made to ensure that the throughput is handled. This aspect of higher investment has not been taken into account in the project cost estimates.

Contd..03





IMC LIMITED

10-1-30, Waitair Uplands, Visakhapatnam - 530 003, India. Tel. 2754250, 2755612 Fax 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

:: 03 ::

In light of the above facts, we are sure you would appreciate that we have provided a very competitive share, considering the various limitations in the traffic and revenue assumptions.

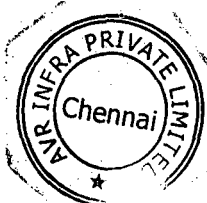
We enclose the note on EQ-10 submitted by us earlier, from which it is amply clear that the revenue share that we have offered is already stretched to the limits. However, as we are committed to developing the EQ-10 project, we herewith submit our revised and final offer.

We request you to consider our revised offer and award the Project to us.

Yours truly,

for IMC Limited

Authorized Signatory



Note on EQ-10 BOT Project RFP

We have extensively studied the project feasibility and potential traffic for EQ-10 and are of the view that the viability of the project would be under strain during the first 5-6 years of commercial operations due to the below mentioned reasons:

(1) The EQ-10 berth is to have a length of 160 metres and supported by pipelines and shore tanks for evacuation of liquid cargo. In view of the constraint in berth length, there is a limitation on berthing of larger tankers, which in turn would lead to large number of shipments and high levels of berth occupancy.

(2) The estimated maximum traffic to be handled at EQ-10 is 1.84 Million metric tonnes per annum. Based on actual data of liquid tankers handled at Vizag for Caustic Soda, we find that the average parcel size for 145 m LoA vessel is 8500 MT & the GRT is around 5500 (This GRT figure is much lower than those furnished in "Techno-Economic Feasibility Report for Development of EQ-10 Berth" as given by VPT).

The chemical tankers would be smaller and expected to have GRT of about 4000. The tanker sizes, output parameters and the traffic that can be handled with these vessels are summarized in the enclosed worksheet.

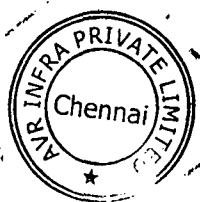
(3) Based on the assumptions, the number ships to be handled per annum for the traffic of 1.84 MMT is 256 which is a ship every 1.4 days. It is practically difficult to handle this level of movements without a significant level of pre-berthing detention time for vessels

(4) The average GRT is lower than what is specified in "Techno-Economic Feasibility Report for Development of EQ-10 Berth" as given by VPT. This has a substantial adverse impact on the revenue projections.

(5) The storage tanks of 6 numbers of 3,000 KL tanks each is grossly inadequate to handle the projected volumes and evacuate a ship every 1.4 days. The storage capacity will have to be significantly increased to handle the shipments, which require additional investment, thus increasing the Project Cost.

(6) The "Techno-Economic Feasibility Report for Development of EQ-10 Berth" provided as part of the RFP projects traffic of 1.1 MMT per annum during years 1 & 3; 1.5 MMT per annum during years 4 and 6 and 1.84 MMT per annum from year 7 onwards at EQ-10. The biodiesel industry has been unviable during the last 2-3 years due to various reasons such as unfavourable feed stock price, reduction in market demand etc and this trend is expected to be prevalent for the next 3-4 years. Considering that WQ-7 and WQ-8 projects may also handle caustic soda lye, we are apprehensive that the projected traffic figures in the feasibility report may not be achievable in the initial years of operation.

(7) EQ-10 is not permitted to handle petroleum products although Class B and Class C chemicals are allowed to be handled. This restriction does not provide the BOT operator any avenue to improve the traffic prospects if the projected traffic does not materialize.



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A handwritten signature in black ink, appearing to be "Y".

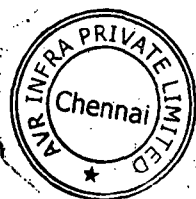
(8) The current cargo related charges for foreign vessels at Vizag port for Caustic Soda is Rs 25/MT and that for edible oils is Rs 16/KL. The corresponding recommended maximum rates for EQ-10 by TAMP is Rs 37.91 /MT for both Caustic Soda & Edible Oils, which are higher than the current VPT rates. EQ-10 have exclusivity only for biodiesel and related cargoes and also has to contend with restrictions in berthing length. Under this scenario, the revenues for the EQ-10 BOT operator may be actually lower than the projected figures, which was one of the main considerations in deciding our offer.

(9) Per the existing Scale of Rates for VPT, the berth hire for foreign vessels smaller than 10,000 GRT is 0.0023 US\$/GRT/Hr which is approximately Re 0.115/GRT/Hr. The TAMP recommended maximum berth-hire for EQ-10 is Rs 1.34/GRT/Hr which is more than 11 times the VPT rate. During the first few years of commercial operations, it is likely that the EQ-10 berth could face a shortfall in berth hire revenues compared to the projected revenues.

In the above background, we have made the following assumptions for our financial analysis:

- (a) Traffic – 0.6 million MT in year 1, increasing to 1.8 million MT in year 7
- (b) Tariff – assumed at TAMP ceiling rates
- (c) Project Cost : Rs.58.19 Crores
- (d) Interest for debt – 12.5 percent
- (e) Annual escalation in rates at 3 percent
- (f) Revenue Share – 10.26 percent

With the above assumptions, the Project IRR and Equity IRR work out to 13.58% and 13.8% respectively, which is just adequate to cover the debt servicing obligations.



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A handwritten signature in black ink, appearing to be "G".

(1) ST MARSEILLE - D.W.T. 8 011T



GENERAL DATA

VESSEL TYPE

Motor tanker / oil products, chemical tankers (IMO II) / SBT / Double hull

NB 19/03/2008 / ADIK yard Tuzla
IMO N°: 9367358
Call sign: LXOX
Flag: LUXEMBOURG
Registered N°: 4132

CLASS NOTATION:

BV : 1+HULL+MACHINERY, OIL TANKER / CHEMICAL TANKER ESP
- UNRESTRICTED NAV-CLEAN SHIP NAVIGATION+AUT-UMS-ICE-
IG-VCS- AVM APS MON SHAFT-INWATER SURVEY
GMDSS Area: A1+A2+A3

Life saving appliance: 19 persons

TECHNICAL CHARACTERISTICS

MAIN ENGINE

MAK 8L32 four strokes / 3840 KW
Propeller: One pitch propeller 4500 mm

Cargo pumps: Framo hydraulic deep wheel pumps 12 x 330 m³/h
Crane at manifold: Electro hydraulic 5VWL 5T at 14,5 m

Tank coating: Phenolic epoxy
Ballast coating: Epoxy
Cargo heating Double loop in each tank

Inert Gas system: SMIT GAS type Gnl 1500 m³/h

Close loading system: Yes
Cargo tanks washing system: Yes by fixed tank washing machine
Auxiliary engine: 3 of LIAG/MAN D 2842 LE 301 each 580 KW
1 Shaft generator 1200 KW
Bow thrusters: 500 Kw
br> Take home system: yes 9 knots

COMMERCIAL SPEED AND CONSUMPTION

Laden: 13,5 Knts
Ballast: 14,0 Knts

PHYSICAL DETAILS

LOA: 121 m
LPP: 115.60 m
Beam: 17.2 m
Depth: 8.8 m
Max Air draft: 30.05 m
Keel to Mast: 36.00 m

TONNAGES

Summer Draft/DWT: 6.86 m / 8011 DWT
International GT: 5218 UMS
International

(2) FS SARA - D.W.T. 8 019 T

GENERAL DATA

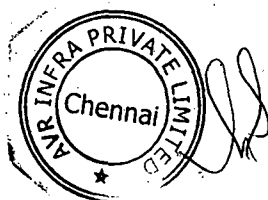
VESSEL TYPE

Motor tanker / oil products, chemical tankers (IMO II) / SBT / Double hull

COMMERCIAL SPEED AND CONSUMPTION

Laden: 13,5 Knts
Ballast: 14,0 Knts

12/30/2009



NB 12/01/2007 / ADIK yard Tuzla
IMO N°: 9356646
Call sign: F M L H
Flag: FRENCH / MARSEILLE
Registered N°: RI 926 344 W

CLASS NOTATION:

BV : 1+HULL+MACHINERY, OIL
TANKER / CHEMICAL TANKER -
UNRESTRICTED NAV-CLEAN SHIP
NAVIGATION+AUT-UMS-ICE-
IGVCS- AVM APS MON SHAFT-
INWATER SURVEY
GMDSS Area: A1+A2+A3

Life saving appliance: 19 persons

**TECHNICAL
CHARACTERISTICS**

MAIN ENGINE

MAK 8L32 four strokes / 3840 KW
Propeller: One pitch propeller 4500
mm

Auxiliary propulsion/manoeuvring:
2 pump jet Schottel of 450 KW each

Cargo pumps: Framo hydraulic deep
wheel pumps 12 X 330m3/hr

Crane at manifold: Electro hydraulic
SWL 5T at 14,5m

Tank coating: Phénolic epoxy
Ballast coating: Epoxy
Cargo heating Double loop in each
tank

Inert Gas system: SMIT GAS type
Gnl 1500 m3/h

Close loading system: Yes
Cargo tanks washing system: Yes by
fixed tank washing machine
Auxiliary engine: 3 of LIAG/MAN D
2842 LE 301 each 580 KW
1 Shaft generator 1200 KW
Bow thrusters: 500 Kw
Stern thruster: 2 pump jet Schottel of
450 KW each

Take home system: yes 9 knots

**PHYSICAL
DETAILS**

LOA: 121 m
LPP: 116 m
Beam: 17,2 m
Depth: 8,8 m
Max Air draft: 30.05
m
Keel to Mast: 36.00
m

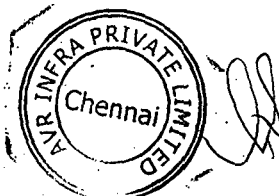
TONNAGES

Summer
Draft/DWT: 6.86 m /
8019 DWT
International GT:
5271 UMS
International NT:
2398 UMS

Information from ESET NOD32 Antivirus, version of virus signature database 4400
(20090906)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>



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(1) M/T HAILSEN

CHEMICAL / OIL PRODUCTS TANKER
IMO II / III, DOUBLE BOTTOM
9148 DWT ON 8.1M DRAFT
BUILT: NOV 1980, BY HIGAKI SHIPBUILDING CO. LTD., JAPAN
FLAG: PANAMA
CLASS: NK
LAST / NEXT DRYDOCK: APRIL 2006 / MARCH 2008
LAST / NEXT SPECIAL SURVEY: MARCH 2003 / MARCH 2008
LOA / Lbp / B / D: 110.13 / 102.00 / 18.30 / 10.00 M
GRT / NRT: 5207 / 2963 T
CARGO TANKS: 12 + SLOP 2
SIGMA PHENGUARD EPOXY COATED & COILED
CARGO CAPACITY (98%): 10225M3 + SLOP 278M3
CARGO PUMPS: 500M3/HOUR x 4
4 SEGREGATIONS / SBT
MAIN ENGINE: MITSUBISHI 6UEC45/115H, 6000BHP

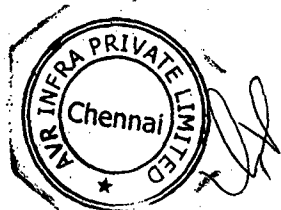
(2) M/T "SUN DIAMOND" - IMO II, DOUBLE/DOUBLE.

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FLAG MALAYSIA
CLASS NK
LAST S/S 23/APR/2003, D/D 23/APR/2003.
BLT 1998, USUKI SHIPBUILDING, JAPAN
TYPE OIL & CHEMICAL IMO TYPE II
DOUBLE BOTTOM, DOUBLE SIDES
DWT 8,697 ON 7.514M DRAFT
GRT/NRT 5,340/2,644
LOA 112.0, BEAM 19.0, DEPTH 10.0
CUBIC CAPA(98% EX. SLOP TANK) 9,115.5 M3
CARGO TANKS FULLY COATED WITH SUS 316L
HEATING COIL FITTED
NUMBER OF MANIFOLDS ON EACH SIDE 12 PC 150A
PUMPS 220M3/HR X 10 SETS + 100M3/HR X 2 SETS
M/E AKASAKA-MITSUBISHI X 6 X 3133 KW
SPEED 13.3 KNOTS

(3) CHEMICAL TANKER, IMO II / III
7544 DWT ON 6.91M DRAFT
BUILT: AUG 1985, BY TAIHEI HASHIHAMA, JAPAN
CLASS : KR / 2G/2.0S.G(C.T), 1.5S.G(S.T)
LAST / NEXT DRYDOCK: AUG 2005 / AUG 2008
LAST / NEXT SPECIAL SURVEY: AUG 2005 / AUG 2010
LOA / Lbp / B / D: 115.02 / 106.03 / 17.81 / 8.80 M
GRT / NRT: 4690 / 2344 T

12/30/2009



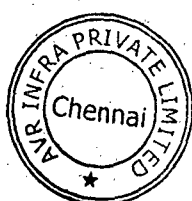
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CARGO TANKS: 20
CARGO CAPACITY(98%): 7876 M3 + 333 M3 IN SLOP
(3876 M3 IN CENTER, 4000 M3 IN WING TANKS)
NO. OF GRADES SEGREGATE: 22
CENTER TANKS STST 316L, WING TANKS EPOXY COATED
HEATING: COILS 316L WING TANKS & DECK HEATER CENTER TANKS
CARGO PUMPS: DEEP WELL X 22
SBT
DOUBLE BOTTOM / SINGLE HULL
GEAR: DERRICK 1 x 5T SWL
MAIN ENGINE: B&W 6L35MC, 4068HP @ 200RPM
SPEED / CONSUMPTION: 12.5 KNOTS ON 9.2T

Information from ESET NOD32 Antivirus, version of virus signature database 4400
(20090906)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>



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(1) MT HAILISEN

CHEMICAL / OIL PRODUCTS TANKER
IMO II / III, DOUBLE BOTTOM
9148 DWT ON 8.1M DRAFT
BUILT: NOV 1980, BY HIGAKI SHIPBUILDING CO. LTD., JAPAN
FLAG: PANAMA
CLASS: NK
LAST / NEXT DRYDOCK: APRIL 2006 / MARCH 2008
LAST / NEXT SPECIAL SURVEY: MARCH 2003 / MARCH 2008
LOA / Lbp / B / D: 110.13 / 102.00 / 18.30 / 10.00 M
GRT / NRT: 5207 / 2963 T
CARGO TANKS: 12 + SLOP 2
SIGMA PHENGUARD EPOXY COATED & COILED
CARGO CAPACITY (98%): 10225M3 + SLOP 278M3
CARGO PUMPS: 500M3/HOUR x 4
4 SEGREGATIONS / SBT
MAIN ENGINE: MITSUBISHI 6UEC45/115H, 6000BHP

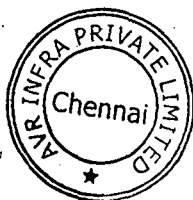
(2) M/T "SUN DIAMOND" - IMO II, DOUBLE/DOUBLE.

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FLAG MALAYSIA
CLASS NK
LAST S/S 23/APR/2003, D/D 23/APR/2003.
BLT 1998, USUKI SHIPBUILDING, JAPAN
TYPE OIL & CHEMICAL IMO TYPE II
DOUBLE BOTTOM, DOUBLE SIDES
DWT 8,697 ON 7.514M DRAFT
GRT/NRT 5,340/2,644
LOA 112.0, BEAM 19.0, DEPTH 10.0
CUBIC CAPA(98% EX. SLOP TANK) 9,115.5 M3
CARGO TANKS FULLY COATED WITH SUS 316L
HEATING COIL FITTED
NUMBER OF MANIFOLDS ON EACH SIDE 12 PC 150A
PUMPS 220M3/HR X 10 SETS + 100M3/HR X 2 SETS
M/E AKASAKA-MITSUBISHI X 6 X 3133 KW
SPEED 13.3 KNOTS

(3) CHEMICAL TANKER, IMO II / III
7544 DWT ON 6.91M DRAFT
BUILT: AUG 1985, BY TAIHEI HASHIHAMA, JAPAN
CLASS : KR / 2G/2.0S.G(C.T), 1.5S.G(S.T)
LAST / NEXT DRYDOCK: AUG 2005 / AUG 2008
LAST / NEXT SPECIAL SURVEY: AUG 2005 / AUG 2010
LOA /Lbp / B / D: 115.02 / 106.03 / 17.81 / 8.80 M
GRT / NRT: 4690 / 2344 T

12/30/2009



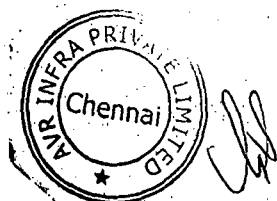
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HEATING: COILS 316L WING TANKS & DECK HEATER CENTER TANKS
CARGO PUMPS: DEEP WELL X 22
SBT
DOUBLE BOTTOM / SINGLE HULL
GEAR: DERRICK 1 x 5T SWL
MAIN ENGINE: B&W 6L35MC, 4068HP @ 200RPM
SPEED / CONSUMPTION: 12.5 KNOTS ON 9.2T

Information from ESET NOD32 Antivirus, version of virus signature database 4400
(20090906)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>



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SICHEM IRIS

IMO	9392183
Built year	2008
DWT	8140
GRT	2551
LOA	115.26
Beam	18.20
Draft	7.45
Flag	Malta (MT)
Tanks	
Segregation	12
Hull	Double Hull
Coating	Stainless Steel (SS)
Thrusters	
Inert Gas	
Commercial manager	Eitzen Chemical Spain
Technical Manager	EMS Ship Management IN
Crew Manager	

SICHEM FENOL

IMO	8510489
Built year	1985
DWT	7158
GRT	4441
LOA	107.00
Beam	18.00
Draft	6.813.00
Flag	Malta (MT)
Tanks	16
Segregation	6
Hull	Double Bottom
Coating	Stainless Steel (SS)
Thrusters	
Inert Gas	
Commercial manager	Eitzen Chemical Spain
Technical Manager	EMS Ship Management IN
Crew Manager	



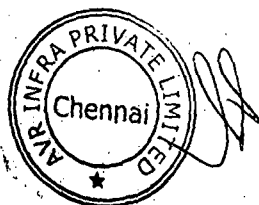
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SICHEM IRIS

IMO	9392183
Built year	2008
DWT	8140
GRT	2551
LOA	115.26
Beam	18.20
Draft	7.45
Flag	Malta (MT)
Tanks	
Segregation	12
Hull	Double Hull
Coating	Stainless Steel (SS)
Thrusters	
Inert Gas	
Commercial manager	Eitzen Chemical Spain
Technical Manager	EMS Ship Management IN
Crew Manager	

SICHEM FENOL

IMO	8510489
Built year	1985
DWT	7158
GRT	4441
LOA	107.00
Beam	18.00
Draft	6.813.00
Flag	Malta (MT)
Tanks	16
Segregation	6
Hull	Double Bottom
Coating	Stainless Steel (SS)
Thrusters	
Inert Gas	
Commercial manager	Eitzen Chemical Spain
Technical Manager	EMS Ship Management IN
Crew Manager	



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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-V/
Dt. 23-12-2009.

✓ To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM – 530 003.

FAX No: 0891 2754137

Dear Sir,

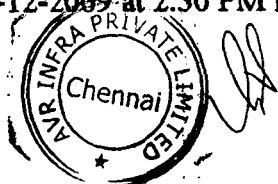
Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

Ref: 1. This office letter No. IENG/EE(Projects)/EQ-10/Pt.V/371 Dt.21-12-09.
2. Your letter Dt. 22-12-2009.

Please refer to the letters cited.

In this regard, it is to inform that the discussions on the subject tender scheduled to be held
on 22-12-2009 at 2.30 PM is postponed to 28-12-2009 at 2.30 PM.

Therefore, you are requested to attend for discussions with the Sr. tender committee on the
subject tender on 28-12-2009 at 2.30 PM in the chambers of Chief Engineer Administrative Office
Building VPT.



Yours faithfully,

279

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



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-V/ 37/
Dt. 21-12-2009.

To ✓
M/s. EMC Ltd.,
10-1-30,
Waltair Uplands
VISAKHAPATNAM - 530 003

FAX No: 0891 2754137

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

It is requested to attend for discussions with the Sr. tender committee on the subject tender
on 22-12-2009 at 2.30 PM in the chambers of Chief Engineer Administrative Office Building
VPT.

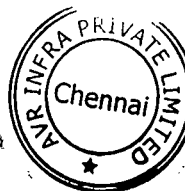
Yours faithfully,


CHIEF ENGINEER 21/12/09

Copy to: F A&C AO/DC/CME/TM for information and it is requested to attend for discussions on
the subject tender on the date and time mentioned above.

Visakhapatnam Port Trust, Visakhapatnam-530 035, Andhra Pradesh, INDIA
FAX: 0891-2505023; Grams: "PORTRUST" E-mail: info@vizagport.com

Recd. on
22/12/09
✓









IMC LIMITED

Corporate Office : 38, Kasturba Ranga Road, Alwarpet, Chennai - 600 018, India. Tel : 2499 4880, 2466 1892.
Fax: 91-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

11 Dec 2009

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

Sub: Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on Build, Operate and Transfer (BOT) basis

Ref: (1) Our RFP Application dated Sep 25, 2009
(2) Our Meetings with the Senior Tender Committee at VPT Chief Engineer's office on 19-10-2009 and 9-12-2009

We thank you very much for inviting us for discussions on our bid dated 25-9-2009 for the subject project.

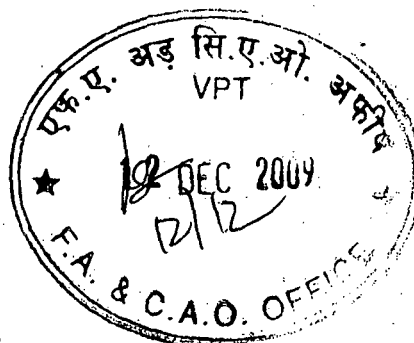
With reference to the Letter comprising the Bid (Appendix-1) of our RFP application, we confirm that paragraph 26 is revised as below:

26. We hereby submit our revised Bid and offer a Gross Revenue Share of 18.00% (Eighteen decimal zero zero percent) for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement.

All other terms and conditions of our bid shall continue to remain valid.

Yours truly,
for IMC Limited

Ajay Kumar Sahoo
Vice President - Business Development





IMC LIMITED

Corporate Office : 39, Kasturba Ranga Road, Alwarpet, Chennai - 600 018, India. Tel : 2499 4680, 2406 1892
Fax: 91-44-2466 1730. E-Mail : admin@imc.net.in URL : www.imc.net.in

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam-530 035

Fax: 0891-2565023

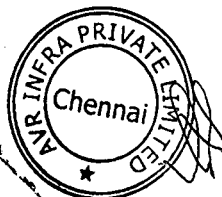
Dear Sir,

Sub: Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis - Performance Guarantee - Article 4 of the RFP document.

With reference to Article 4 (Page 28) of the Draft Concession Agreement issued as part of the RFP document, we hereby acknowledge and agree that the Performance Guarantee sum shall be Rs.27,690,000/- (Rupees twenty seven million six hundred and ninety thousand only).

Yours truly,
for IMC Limited

Ajay K Sahoo
Vice President - Business Development

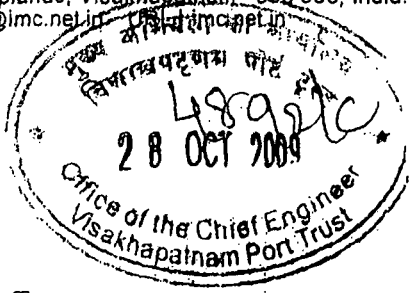


Registered Office : 232/A, Acharya Jagdish Bose Road, Calcutta - 700 020, India.



IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel : 2754250, 2755612 Fax : 91-891-2754137
E-mail : imcvizag@imc.net.in



Dated 28th October, 2009

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

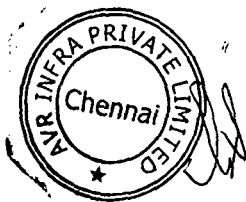
Sir,

Sub :- Bank Guarantee No. 084809IGFIN0010 Dated 22.09.09 Amendment - Reg.

Please find enclosed Amended Bank Guarantee No. 084809IGFIN0010 Dated 22.09.2009 received from Andhra Bank, Mount Road Branch, Chennai.

Thanking you,

Yours faithfully

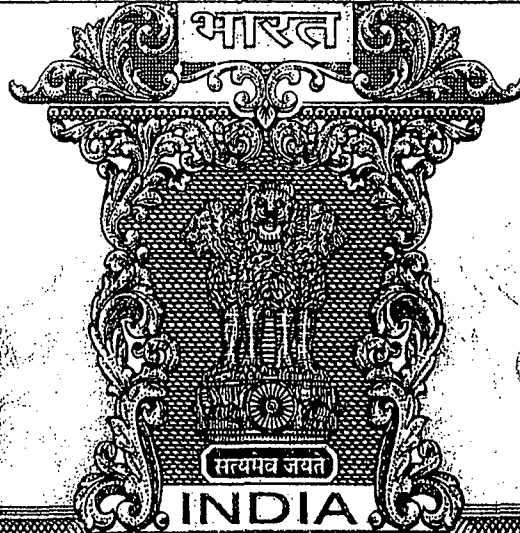


Handwritten signature or initials.

भारतीय गैर न्यायिक

पचास
रुपये

रु. 50



FIFTY
RUPEES

Rs. 50

INDIA NON JUDICIAL

தமிழ்நாடு தமில்நாடு TAMILNADU

9747

29 JUN 2009

IMC Limited

L 100047

V. THIRUVENGADA
STAMP VENDOR
L No. C-4-13531/78
87, K.B. DASAN ROAD
CHENNAI-600 018

To,
Visakhapatnam Port Trust,
Visakhapatnam.

Sir,

Sub: Amendment to BG No 084809IGFIN0010 dated 22.09.2009 for Rs 5.538million.

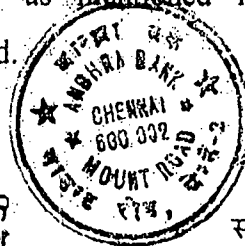
We have issued Bank Guarantee bearing no 084809IGFIN0010 dated 22.09.2009 for Rs 5.538million, on behalf of M/s IMC Ltd in your favour. The following are the amendments to the above guarantee

1. "he" in the 6th line in para 5 of Bank guarantee amended as "be".
2. "he" in the 3rd line of para 6 of Bank guarantee amended as "the".

All other terms and conditions as mentioned in the original Bank guarantee 084809IGFIN0010 remain unaltered.

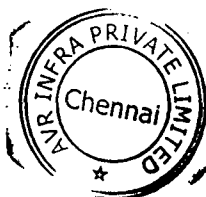
वृत्ते आन्ध्र बैंक
For Andhra Bank
(T D) Dilip Kumar Singh

आन्ध्र बैंक प्रबंधक / Asst. Gen. Manager
MOUNT ROAD BRANCH - CHENNAI-600 002



वृत्ते आन्ध्र बैंक
For Andhra Bank

सहायक प्रबंधक / Asst. Manager
MOUNT ROAD BRANCH CHENNAI - 600 002





IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India. Tel : 2499 4880, 2466 1892
Fax: 91- 44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

Date:

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam-530 035

Fax: 0891-2565023

Dear Sir,

Sub: Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis – Bank confirmation of BG issue date

Ref: Our Bid dated 25-9-2009, in response to the RFP invited for the above Project

This is with reference to the Bank Guarantee submitted as Proposal Security along with our bid.

Please find enclosed confirmation from Andhra Bank that the Date of Issue of the BG is 22.9.2009.

With Regards

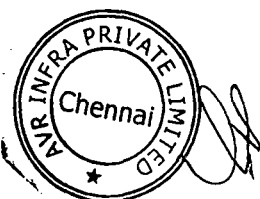
Yours truly,
for IMC Limited



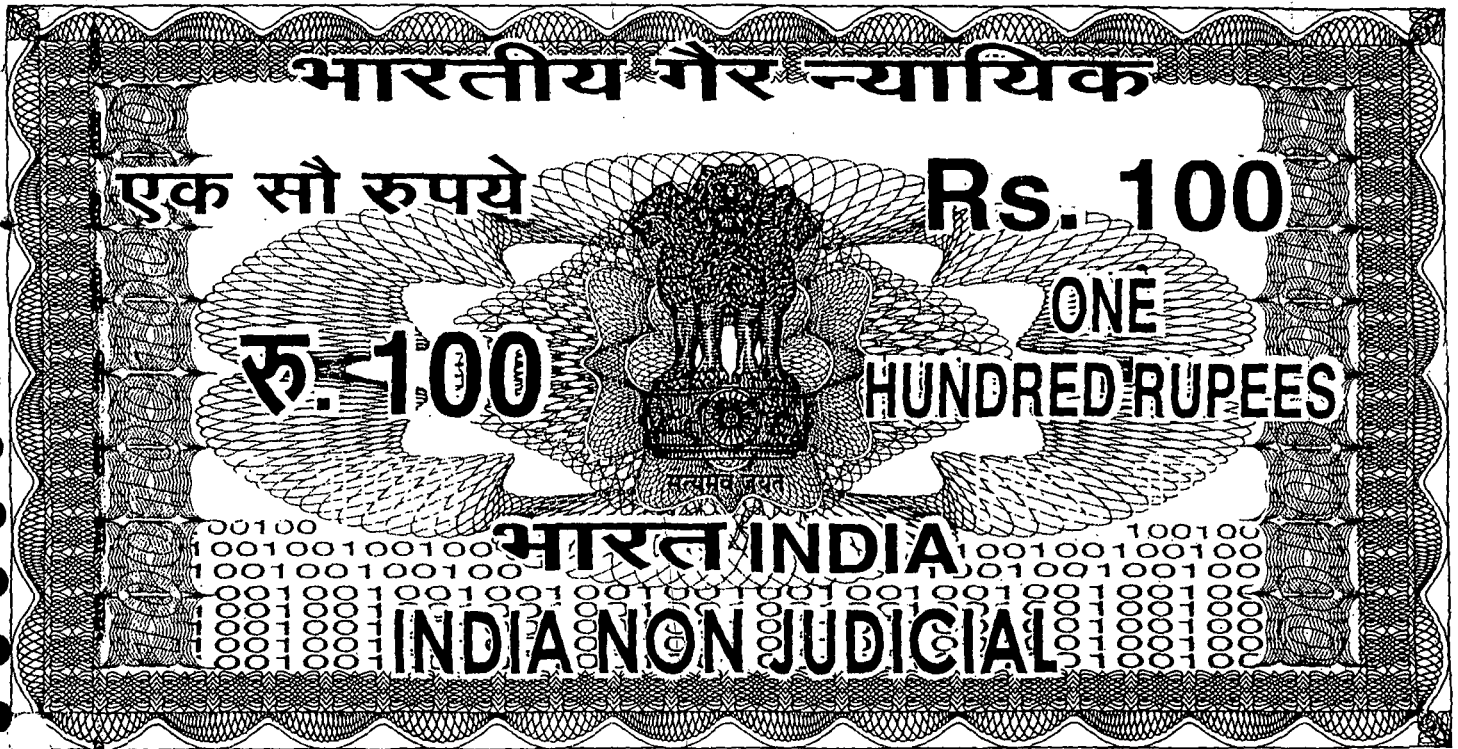
N Krishnan
Sr. Manager-Business Development

Int to US, Very on 26/9

nk



4



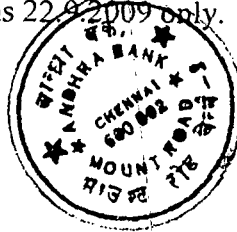
தமிழ்நாடு 6 தமில்நாடு TAMILNADU

S 039865

V. THIRUVENGADAM
STAMP VENDOR
L No C 31171
37, K B. DASAN ROAD
CHENNAI-600 018.

We, Andhra Bank, Mount Road Branch, Chennai have issued BG No.084809 IGFIN 0010 on 22.9.2009 on behalf of IMC Ltd., in favour of Visakhapatnam Port Trust, Visakhapatnam for Rs.55,38,000 (Rupees Fifty five lacs thirty eight thousand only). Inadvertently the date is mentioned as 22.9.2010 instead of 22.9.2009.

We confirm that the date of issue of the above Bank Guarantee is 22.9.2009 only and we request all the concerned to read it as 22.9.2009 only.

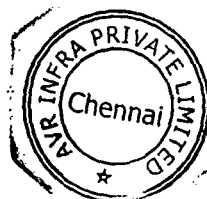


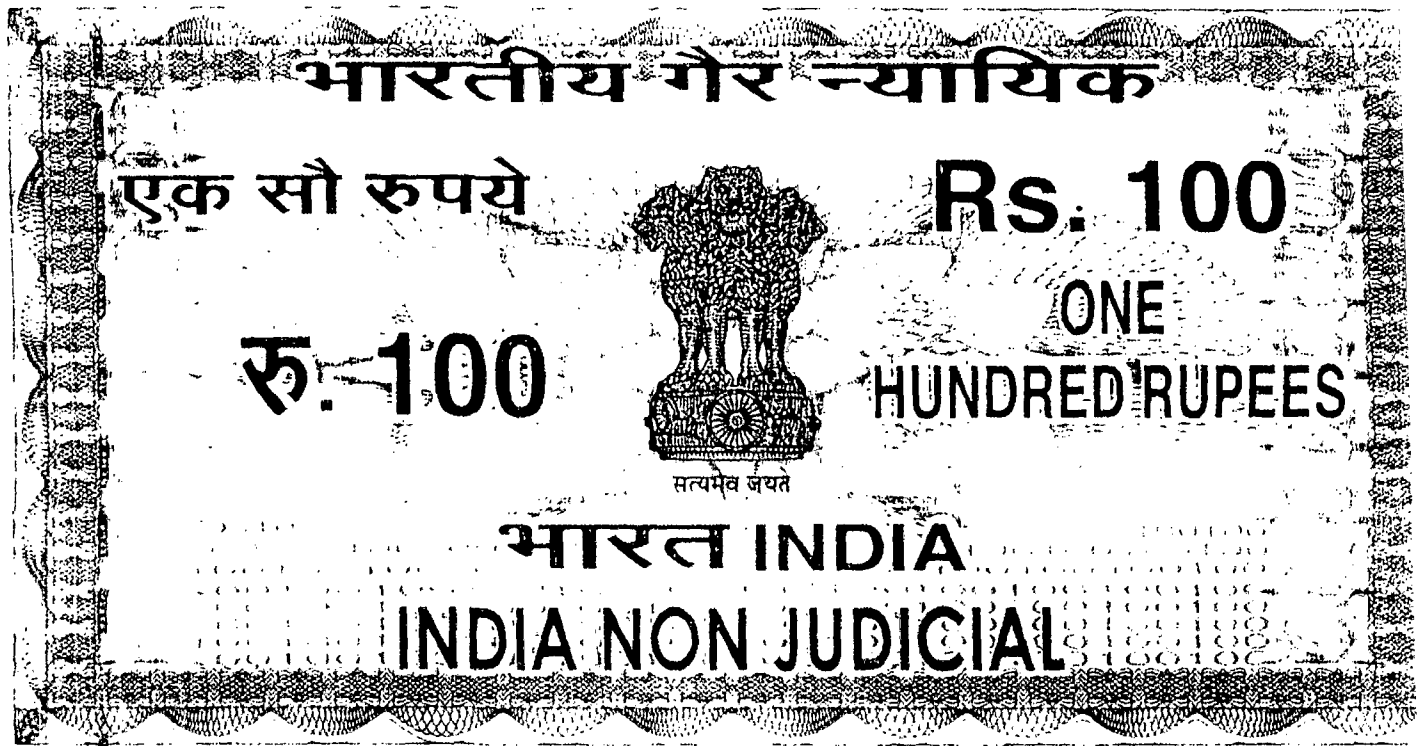
कृते आन्ध्र बैंक
For Andhra Bank

वरिष्ठ प्रबंधक / Senior Manager
MOUNT ROAD BRANCH - CHENNAI - 600 002.

कृते आन्ध्र बैंक
For Andhra Bank

सहायक महा प्रबंधक / Asst Gen Manager
MOUNT ROAD BRANCH - CHENNAI-600 002





करी. ना. 6 तमिलनाडु TAMILNADU

S 039866

Imc Limited

APPENDIX -II

18 SEP 2009

Bank Guarantee for Bid Security

(Refer Clauses 1 & 2 of the RFP)

B.G. No. 0948 0001 0000000000000000

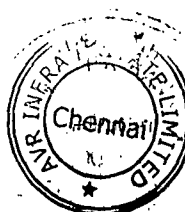
Dated: 22.9.2009

V. THIRUVENGAD
STAMP VENDOR
L No. C-4-13531/7
37 K.B. DASAN ROAD
CHENNAI-600 018

- In consideration of you, Visakhapatnam Port Trust, having its office at Visakhapatnam, Visakhapatnam - 530 035, Andhra Pradesh, India, (hereinafter referred to as the "Authority", which expression shall unless it be repugnant to the subject or context thereof include its successors and assigns) having agreed to receive the Bid of IMC LIMITED [a Company registered under provision of the Companies Act, 1956] and Corporate Office at 39 Kasturi Ranga Road, Alwarpet, Chennai - 600018 having its registered office at 232A Acharjya Jagdish Bose Road, Kolkatta - 700020 [and acting on behalf of its Consortium](hereinafter referred to as the "Bidder" which expression shall unless it be repugnant to the subject or context thereof include its/their executors administrators, successors and assigns), for the development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Project on DBFOT basis (hereinafter referred to as "the Project") pursuant to the RFP document dated August 1, 2009 issued in respect of the Project and other related documents (hereinafter collectively referred to as "Bidding Documents"), we Andhra Bank having our registered office at Dr Pattabhi Bhavan, Saifabad, Hyderabad and one of our branches at 95 Mount Road (Chennai-600002 (hereinafter referred to as the "Bank"), at the request of the Bidder, do hereby in terms of Clause 2.1.7 read with Clause 2.1.8 of the RFP Document, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Authority an amount of Rs. 5.538 (Rupees five decimal five three eight only) million as bid security (hereinafter referred to as the "Bid Security") as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfill or comply with all or any of the terms and conditions contained in the said Bidding Documents.

कुते आन्ध्र बैंक
For Andhra Bank

वरिष्ठ प्रबंधक / Senior Manager
MOUNT ROAD BRANCH - CHENNAI - 600 002



कुते आन्ध्र बैंक
For Andhra Bank

सहायक महा प्रबंधक / Asst Gen Manager
MOUNT ROAD BRANCH - CHENNAI-600 002

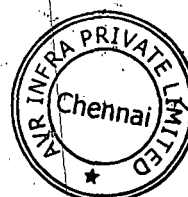
0848 09 16AN 0010

22.9.09

- 2 Any such written demand made by the Authority stating that the Bidder is in default of the due and faithful fulfillment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
- 3 We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Authority is disputed by the Bidder or not merely on the first demand from the Authority stating that the amount claimed is due to the Authority by reason of failure of the Bidder to fulfill and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs.5.538 (Rupees five decimal five three eight million only).
- 4 This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
- 5 We, the Bank, further agree that the Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfillment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.
- 6 The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person or entity.
- 7 In order to give full effect to this Guarantee, the Authority shall be entitled to treat the Bank as the principal debtor. The Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfillment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to the Authority, and the Bank shall not be released from its liability under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Authority or any indulgence by the Authority to the said Bidder or by any change in the constitution of the Authority or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its liability.

For Andhra Bank

वरिष्ठ प्रबंधक / Senior Manager
MOUNT ROAD BRANCH



For Andhra Bank

सहायक महा प्रबंधक / Asst. Gen Manager
MOUNT ROAD BRANCH - CHENNAI

289



8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein
9. We, the Bank undertake to make the payment on receipt of your notice of claim on us addressed to Andhra Bank, 95 Mount Road, Chennai 600 002 and delivered at our above branch who shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for the Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Authority may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealized
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Authority in writing.
12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.

"Notwithstanding" anything contained herein:

Our liability under this Bank Guarantee shall not exceed Rs.5.538 (Rupees five decimal Five three eight million only).

This Bank Guarantee shall be valid upto 22nd March, 2010.

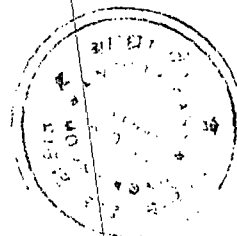
We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before 22nd March, 2010.

Signed and Delivered by Andhra Bank

By the hand of Mr./Ms. T.D. DILIP KUMAR SINGH, its Asst. Genl. Manager and authorised official.

For Andhra Bank

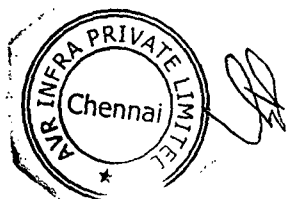
049 22/9/09
सहायक महा प्रबंधक / Asst. Gen. Manager
(Signature of the Authorised Signatory)
CHENNAI-600 002



कृते आन्ध्र बैंक
For Andhra Bank

वरिष्ठ प्रबंधक / Senior Manager
MOUNT ROAD BRANCH
CHENNAI-600 002

(Official Seal)





IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India. Tel : 2499 4880, 2466 1892
Fax: 91-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

26th Oct 2009

The Chief Engineer,
Visakhapatnam Port Trust
Visakhapatnam – 530 035

Sub: Bid for the development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port Project for handling liquid cargo on DBFOT basis.

This has reference to the above tender & subsequent discussion that we had in your office on 19th Oct 2009

We confirm that there is a typographical error in our "Letter comprising Bid" dated 24th Sept 2009 that we had submitted on 25th Sept 2009 as part of our bid for development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port Project for handling liquid cargo on DBFOT basis.

Please read (line No.5 of clause No.17 of page No.3) as


"...in its sole discretion, disqualify our Consortium or withdraw the Letter of Award..."

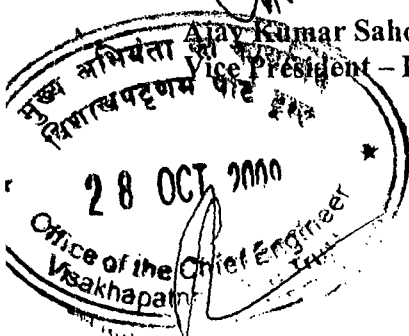
instead of

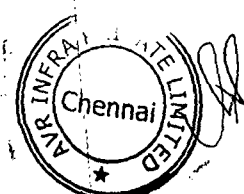
"...in its sole discretion, disqualify or Consortium or withdraw the Letter of Award..."

Thanking you,

Yours faithfully
for IMC Limited


Ajay Kumar Sahoo
Vice President – Business Development


28 OCT 2009
Office of the Chief Engineer
Visakhapatnam


Chennai



IMC LIMITED

10-1-30, Waltair Uplands, Visakhapatnam - 530 003, India. Tel . 2754250, 2755612 Fax 91-891-2754137
E-mail : imcvizag@imc.net.in URL : imc.net.in

To
The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam

Dated : 26th October, 2009

Sir,

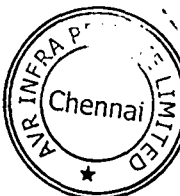
Sub :- EQ-10 Berth - Reg.

Please refer to our discussions during the Senior Tender Committee meeting held on 19th October, 2009. We are enclosing our note on our quote along with Financial Analysis for your kind information.

Thanking you,

Yours faithfully
for IMC Limited

Authorised Signatory



Note on EQ-10 BOT Project RFP

We have extensively studied the project feasibility and potential traffic for EQ-10 and are of the view that the viability of the project would be under strain during the first 5-6 years of commercial operations due to the below mentioned reasons:

(1) The EQ-10 berth is to have a length of 160 metres and supported by pipelines and shore tanks for evacuation of liquid cargo. In view of the constraint in berth length, there is a limitation on berthing of larger tankers, which in turn would lead to large number of shipments and high levels of berth occupancy.

(2) The estimated maximum traffic to be handled at EQ-10 is 1.84 Million metric tonnes per annum. Based on actual data of liquid tankers handled at Vizag for Caustic Soda, we find that the average parcel size for 145 m LoA vessel is 8500 MT & the GRT is around 5500 (This GRT figure is much lower than those furnished in "Techno-Economic Feasibility Report for Development of EQ-10 Berth" as given by VPT).

The chemical tankers would be smaller and expected to have GRT of about 4000. The tanker sizes, output parameters and the traffic that can be handled with these vessels are summarized in the enclosed worksheet.

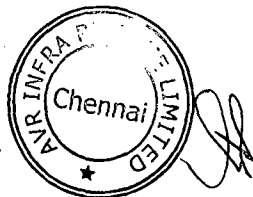
(3) Based on the assumptions, the number ships to be handled per annum for the traffic of 1.84 MMT is 256 which is a ship every 1.4 days. It is practically difficult to handle this level of movements without a significant level of pre-berthing detention time for vessels

(4) The average GRT is lower than what is specified in "Techno-Economic Feasibility Report for Development of EQ-10 Berth" as given by VPT. This has a substantial adverse impact on the revenue projections.

(5) The storage tanks of 6 numbers of 3,000 KL tanks each is grossly inadequate to handle the projected volumes and evacuate a ship every 1.4 days. The storage capacity will have to be significantly increased to handle the shipments, which require additional investment, thus increasing the Project Cost.

(6) The "Techno-Economic Feasibility Report for Development of EQ-10 Berth" provided as part of the RFP projects traffic of 1.1 MMT per annum during years 1 & 3; 1.5 MMT per annum during years 4 and 6 and 1.84 MMT per annum from year 7 onwards at EQ-10. The biodiesel industry has been unviable during the last 2-3 years due to various reasons such as unfavourable feed stock price, reduction in market demand etc and this trend is expected to be prevalent for the next 3-4 years. Considering that WQ-7 and WQ-8 projects may also handle caustic soda lye, we are apprehensive that the projected traffic figures in the feasibility report may not be achievable in the initial years of operation.

(7) EQ-10 is not permitted to handle petroleum products although Class B and Class C chemicals are allowed to be handled. This restriction does not provide the BOT operator any avenue to improve the traffic prospects if the projected traffic does not materialize.



A handwritten signature, possibly "G", written in black ink.

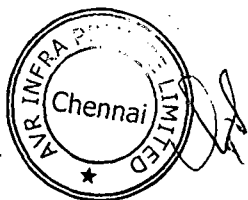
(8) The current cargo related charges for foreign vessels at Vizag port for Caustic Soda is Rs 25/MT and that for edible oils I is Rs 16/KL. The corresponding recommended maximum rates for EQ-10 by TAMP is Rs 37.91 /MT for both Caustic Soda & Edible Oils, which are higher than the current VPT rates. EQ-10 have exclusivity only for biodiesel and related cargoes and also has to contend with restrictions in berthing length. Under this scenario, the revenues for the EQ-10 BOT operator may be actually lower than the projected figures, which was one of the main considerations in deciding our offer.

(9) Per the existing Scale of Rates for VPT, the berth hire for foreign vessels smaller than 10,000 GRT is 0.0023 US\$/GRT/Hr which is approximately Re 0.115/GRT/Hr. The TAMP recommended maximum berth-hire for EQ-10 is Rs 1.34/GRT/Hr which is more than 11 times the VPT rate. During the first few years of commercial operations, it is likely that the EQ-10 berth could face a shortfall in berth hire revenues compared to the projected revenues.

In the above background, we have made the following assumptions for our financial analysis:

- (a) Traffic – 0.6 million MT in year 1, increasing to 1.8 million MT in year 7
- (b) Tariff – assumed at TAMP ceiling rates
- (c) Project Cost : Rs.58.19 Crores
- (d) Interest for debt – 12.5 percent
- (e) Annual escalation in rates at 3 percent
- (f) Revenue Share – 10.26 percent

With the above assumptions, the Project IRR and Equity IRR work out to 13.58% and 13.8% respectively, which is just adequate to cover the debt servicing obligations.



A handwritten signature, possibly "S. S.", written in black ink.

10 - FINANCIAL ANALYSIS

Traffic in Year 1 MMT 0.6 Annual growth in traffic % 20% Max Traffic MMT 1.84

Vessel	AVR GRT	Ship output (MT/Hr)	Parcel Size (MT)	Start & finish time (Hrs)	% Traffic	Max Traffic (MMT pa)	No of ships	Hrs/Ship	Mln GRT Hrs pa
Acoustic Signal	5500	300	8500	4	40%	0.74	86.6	32.3	15.4
Diesel	5500	300	8500	4	25%	0.46	54.1	32.3	9.6
Edible Oil	5500	300	8500	4	25%	0.46	54.1	32.3	9.6
Chemicals	4000	300	3000	4	10%	0.18	61.3	14.0	3.4
				Total		1.84	256.2		38.1
				Avg Parcel		7183			

ASSUMPTIONS

Concession Period	Years	30
Construction Period	Years	1.5
Operating Period	Years	28.5
Deprn Rate - SLM	% pa	3.51%
Deprn Rate - WDV	% pa	15%
Go Distn - Coastal	%	10%
Cargo Distn - Foreign	%	90%

Project Cost	Rs Cr	58.193619
Debt	Rs Cr	40.74
Equity	Rs Cr	17.46
Storage rate - Week 1	Rs/MT	
Storage rate - Week 2	Rs/MT	7.9
Storage rate - after week	Rs/MT	10
Berth Hire - Coastal	Rs/GRT/Hr	0.8
Berth Hire - Foreign	Rs/GRT/Hr	1.34

Debt %	70%
Equity %	30%
% Int rate pa	12.50%
Debt Moratorium - Yrs	1
Debt Repmt - Years	10
Effective IT Rate	33.99%
Effective MAT Rate	17.00%

FINANCIAL ANALYSIS

Year	UNIT	1	2	3	4	5	6	7	8	9	10
Traffic	MMT	0.60	0.72	0.86	1.04	1.24	1.49	1.79	1.84	1.84	1.84
Storage Charges	Rs Cr	3.04	3.65	4.38	5.25	6.30	7.56	9.07	9.32	9.32	9.32
Berthing Charges	Rs Cr	1.60	1.97	2.44	3.02	3.73	4.61	5.69	6.02	6.20	6.39
Handling Charges	Rs Cr	2.25	2.78	3.44	4.25	5.25	6.49	8.02	8.48	8.74	9.00
Total revenue	Rs Cr	6.88	8.40	10.25	12.51	15.28	18.66	22.79	23.82	24.26	24.71
Revenue share		10.26%									
TOTAL REVENUE	Rs Cr	6.18	7.54	9.20	11.23	13.71	16.74	20.45	21.38	21.77	22.17
Insurance	Rs Cr	0.29	0.31	0.32	0.34	0.35	0.37	0.39	0.41	0.43	0.45
Other expenses	Rs Cr	-	-	2.49	2.73	2.99	3.29	3.99	4.04	4.38	4.69
Total Exp	Rs Cr	-	-	2.79	3.03	3.31	3.63	4.34	4.41	4.77	5.10

PBDIT	Rs Cr					3.39	4.51	5.89	7.60	9.37	12.33	15.67	16.28	16.33	15.66
Interest	Rs Cr					5.09	4.90	4.39	3.88	3.37	2.86	2.36	1.85	1.34	0.83
Tax	Rs Cr								0.26	0.65	1.27	1.92	2.11	2.21	1.96
Depreciation	Rs Cr					2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
PAT (W1)	Rs Cr					-4.58	-3.27	-1.38	0.58	2.47	5.32	8.52	9.45	9.91	10.00
Project in Cash flows	Rs Cr					3.39	4.51	5.89	7.34	8.72	11.06	13.75	14.17	14.12	13.70
Cenvat	Rs Cr														
Working Cap Requirement	Rs Cr														
Project Cash outflows	Rs Cr			15.08	40.44									26.45	
Project Cash flows	Rs Cr			-15.08	-40.44	3.39	4.51	5.89	7.34	8.72	11.06	13.75	14.17	-12.33	13.70
Project IRR	%			13.58%											
EBIT-Interest - Tax	Rs Cr					-1.70	-0.39	1.50	3.46	5.34	8.20	11.40	12.32	12.78	12.87
Loan Repaid	Rs Cr						4.07	4.07	4.07	4.07	4.07	4.07	4.07	4.07	4.07
DSCR obligation	Rs Cr					1.27	0.97	-0.13	-0.13	-0.13	-0.13	-0.13	-0.13	-0.13	-0.13
Equity Cash out flows	Rs Cr			5.24	12.22									8.20	
Equity Cash flows	Rs Cr			-5.24	-12.22	-2.97	-5.44	-2.45	-0.49	1.40	4.25	7.45	8.38	0.64	8.93
Equity IRR	%			13.8%					0.00						

29

4

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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-IV/247
Dt. 13-10-2009.

To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM – 530 003.

FAX No: 0891 2754137

Dear Sir,

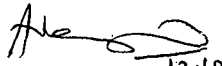
Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

Ref: Your bid Dt. 25-9-2009.

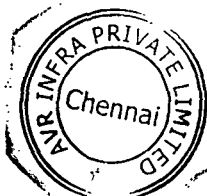
Please refer to your bid Dt. 25-9-2009, submitted for the subject project.

In this context, you are requested to attend for discussions with the Sr. tender committee on
the subject tender on 19-10-2009 at 3.00 PM in the chambers of undersigned.

Yours faithfully,


13.10.09
CHIEF ENGINEER

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







IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India. Tel : 2499 4880, 2466 1892
Fax: 91-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

Date: 29/09/2009

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam-530 035

Fax: 0891-2565023

Dear Sir,

Sub: Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis – Bank confirmation of BG issue date

Ref: Our Bid dated 25-9-2009, in response to the RFP invited for the above Project

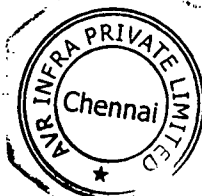
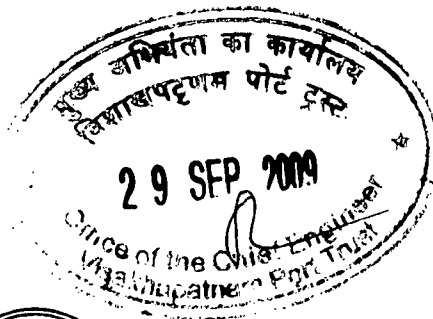
This is with reference to the Bank Guarantee submitted as ^{Bid} Proposal Security along with our bid. ^{nk}

Please find enclosed confirmation from Andhra Bank that the Date of Issue of the BG is 22.9.2009.

With Regards

Yours truly,
for IMC Limited

N Krishnan
Sr. Manager-Business Development





சமீபத்தில் தமிழ்நாடு TAMILNADU

S 039865

V. THIRUVENGADAM
STAMP VENDOR
L No C 1171
37, K B. DASAN ROAD
CHENNAI-600 018.

Isakhapatnam Port Trust
Isakhapatnam
18 SEP 2009

Imc limited

We, Andhra Bank, Mount Road Branch, Chennai have issued BG No.084809.IGFIN 0010 on 22.9.2009 on behalf of IMC Ltd., in favour of Visakhapatnam Port Trust, Visakhapatnam for Rs.55,38,000 (Rupees Fifty five lacs thirty eight thousand only). Inadvertently the date is mentioned as 22.9.2010 instead of 22.9.2009.

We confirm that the date of issue of the above Bank Guarantee is 22.9.2009 only and we request all the concerned to read it as 22.9.2009 only.

कृते आन्ध्र बैंक
For Andhra Bank

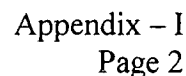


वरिष्ठ प्रबंधक / Senior Manager
MOUNT ROAD BRANCH - CHENNAI - 600 002.

कृते आन्ध्र बैंक
For Andhra Bank

सहायक महा प्रबंधक / Asst. Gen Manager
MOUNT ROAD BRANCH - CHENNAI-600 002





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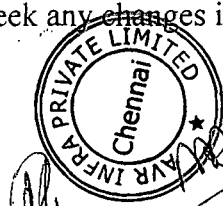
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Appendix – I
Page 3

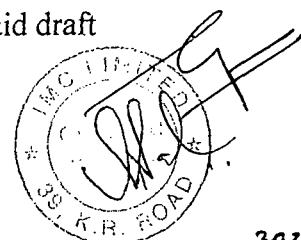
14. We further certify that we are qualified in terms of the additional criteria specified by the Department of Disinvestment in their OM No.6/4/2001-DD-II dated July 13, 2001, a copy of which forms part of the RFP at Appendix-V thereof.
15. We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the provisions of this RFP, we shall intimate the Authority of the same immediately.
16. We acknowledge that our Consortium was pre-qualified and short-listed on the basis of Technical Capacity and Financial Capacity of those of its Members who will own at least 26% of the equity of the Concessionaire and undertake that each of such Consortium Members shall continue to hold at least 26% of the equity of the Concessionaire until the Commercial Operation Date of the Project is achieved under and in accordance with the provisions of the Concession Agreement. We further agree and acknowledge that the aforesaid obligation shall be in addition to the obligations contained in the Concession Agreement in respect of Change in Ownership.
17. We acknowledge and agree that in the event of a change in control of an Associate whose Technical Capacity and / or Financial Capacity was taken into consideration for the purposes of short-listing and pre-qualification under and in accordance with the RFQ, we shall inform the Authority forthwith along with all relevant particulars and the Authority may, in its sole discretion, disqualify or Consortium or withdraw the Letter of Award, as the case may be. We further acknowledge and agree that in the event such change in control occurs after signing of the Concession Agreement but prior to Financial Close of the Project, it would, notwithstanding anything to the contrary contained in the Agreement, be deemed a breach thereof, and the Concession Agreement shall be liable to be terminated without the Authority being liable to us in any manner whatsoever.
18. We understand that the Selected Bidder shall either be an existing Company incorporated under the Indian Companies Act, 1956, or shall incorporate itself as such prior to execution of the Concession Agreement.
19. We hereby irrevocably waive any right which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
20. In the event of our being declared as the Selected Bidder, we agree to enter into a Concession Agreement in accordance with the draft that has been provided to us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.

[Handwritten signature]
25/9/09

K.S.J. [Handwritten signature]



25/9/09





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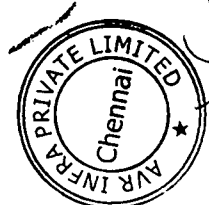
KR1 document.
 25 SEP 2009
 Office of the Chief Engineer
 Visakhapatnam Port Trust
 10.261.
 25/9/10



109
INC LIMITED
CHENNAI
600 018
Vice President
K. B. R. D.

K. S. S. S. S. S.
25/9/09

25/9. 25/9/09





IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018, India. Tel : 2499 4880, 2466 1892
Fax: 91- 44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
IMC LIMITED HELD ON SATURDAY THE 29TH DAY OF, AUGUST, 2009
AT 12.00 P.M. AT THE CORPORATE OFFICE OF THE COMPANY AT
NEW NO. 39, KASTURI RANGA ROAD, ALWARPET, CHENNAI - 600 018.**

The Chairman informed the meeting that some responsible persons need to be authorized to sign and submit applications and bids for the Visakhapatnam Port project thro a Power of Attorney, the draft copy of which was tabled and initialed by the Chairman for purposes of identification.

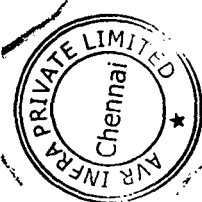
"RESOLVED THAT the Company issue a Power of Attorney authorizing Mr.U.SEKAR for submission of our application and submission of our bid for "Development of Eastern Quay - 10 (EQ-10) Berth" to act on behalf of the Company and to sign documents as per the draft copy of the Power of Attorney tabled and initialed by the Chairman for the purposes of identification.

"RESOLVED FURTHER THAT Mr.K.Kannan, DGM - (Finance & Accounts) and Company Secretary, be and is hereby authorized to sign the Power of Attorney on behalf of the Company.

**CERTIFIED
TRUE COPY**

For IMC Limited

K. Kannan
Company Secretary

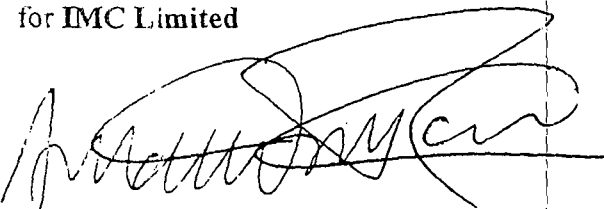


305

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully 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, **IMC LIMITED** THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON 18th DAY OF SEP 2009

for IMC Limited



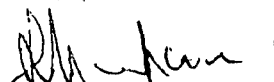
A.M.Rao
Managing Director

Witnesses.

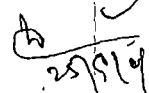
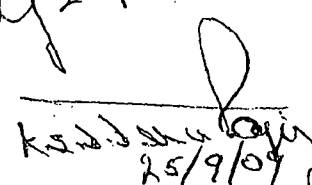

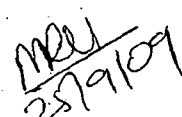
BALARAMU. K
24/1, Kalaimagal Street
Choolaimedu, Chennai-94


(Balaramu.Kodali)

S. GANESAN
NO.9/2 S.C.B. II Street
Mundaitencher, Chennai-28

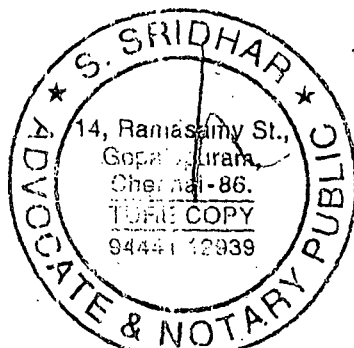

(S.Ganesan)

Accepted

 25/9/09
 25/9/09
 25/9
 25/9/09

1) Ajay Kumar Sahoo – Vice President (Business Development)-----

2) N.Krishnan – Sr. Manager (Business Development)-----



19/9/2009
S. SRIDHAR, B.A., B.L.,
ADVOCATE & NOTARY PUBLIC
14, RAMASAMY STREET,
GOPALAPURAM, CHENNAI-600 086.
REG. NO: 216/1992
EXPIRY DATE 31-07-2011
Phone: 28116926/28112386



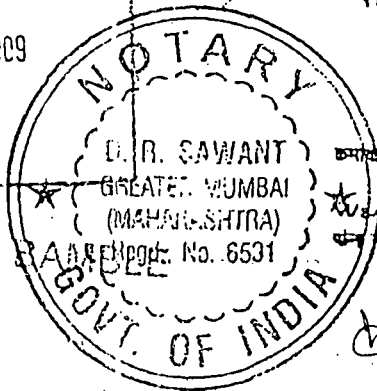


No. 207
MAHARASHTRA

9 APR 2009

Officer

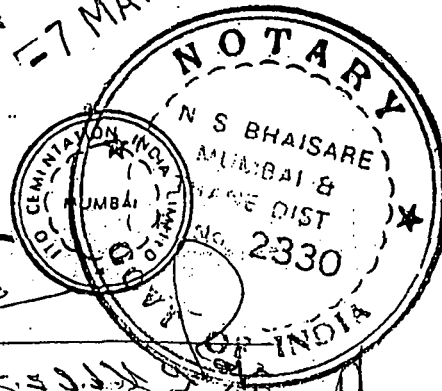
L. S. BANSAL



कलपेश दिमजी गाला
सीनला स्टेशनरी मार्ट, सॉन नं. 1,
144, एम. जी. रोड, एस.एल. नं. 1, काळ्या पोस्ट
जवळ-23...
परवानाधारक मुद्रांक विक्रेता
इसरोनी क्रमांक नं. 206

7 MAY 2009

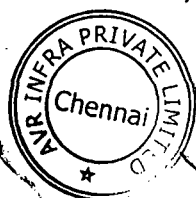
BV 042431



KNOW ALL MEN BY THESE PRESENTS that ITD CEMENTATION INDIA LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 1st floor, Dani Woolltex Compound, 158, Vidyanagari Marg, Kalina, Santracurz (East), Mumbai 400 098 (hereinafter called "ITD Cementation") Send Greetings:-

WHEREAS

- (A) ITD Cementation is desirous to bid for projects, prepare and submit pre-qualifications, proposals, tenders and execute such projects in Consortium / Joint Venture with one or more parties as agreed to by the Company. ITD Cementation shall, as mutually agreed upon, among the Members of Consortium / Joint Venture, appoint one of the Members of the Consortium / Joint Venture to be the Lead Member and as such shall empower one of them to act as Lead Member with all necessary power and authority to do, for and on behalf of the Consortium/ Joint Venture, all acts, deeds and things as may be necessary in connection with the Consortium's / Joint Venture's Pre-qualifications, bid / tender for such projects.



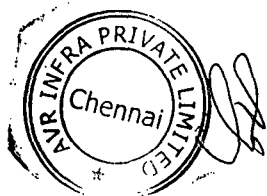
NOW KNOW YE ALL AND THESE PRESENTS WITNESS that ITD Cementation hereby constitutes, appoints and authorizes, MR. SUNIL SHAH SINGH of ITD Cementation India Limited, 1st floor, Dani Wooltex Compound, 158, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098, who is presently employed with the Company and holding the position of Managing Director to be the true and lawful attorney of the Company and in its name and on its behalf to do, execute and perform all or any of the following acts, deeds, matters and things, namely :

- (1) To sign and submit bids; requests for pre-qualifications, proposals, tenders in its own name or as a Member of a Consortium / Joint Venture to any Public Works Department of Central or State Governments, Municipal or other public body or bodies, Port Trust Authorities, Railway Administrations, The Military Engineering Services of the Ministry of Defence, National Thermal Power Corporation, National Hydro Power Corporation, North Eastern Electric Power Corporation, National Highways Authority of India, Delhi Metro Rail Corporation or to any corporation, Board, undertaking, company, firm or person and undertake the carrying out of any public or other works of any kind or nature whatsoever coming within the objects and business of the Company or for the supply of any material in which the Company is authorised to deal.
- (2) To enter into, sign, execute and modify contracts, sub-contracts, Memorandum of Understanding, Agreements including Joint Venture / Consortium Agreements and arrangements for carrying out of any such public or other works or for the supply of any such materials for the aforesaid matter.
- (3) To sign and execute Power of Attorney / Letter of Authority in favour of the Lead Member of the Consortium / Joint Venture, to sign any Qualification Statement, Proposal, conduct negotiations, sign contracts, incur liabilities and receive instructions for and on behalf of ITD Cementation and execute all other necessary matters in connection with the Project.
- (4) To acknowledge in the name of the Company this Power of Attorney and to register and record the same in any appropriate office as may be necessary or advisable and to procure to be done any and every act and thing whatsoever which may in any wise be requisite or proper for authenticating and giving full effect to this Power of Attorney according to the local laws and usages.

Signature

Signature

...3/-



Signature

AND THE Company hereby agrees to ratify and confirm all and whatsoever the Attorney shall lawfully do or cause to be done in or about the premises by virtue of these presents including in such confirmation whatever shall be done between the time of revocation of this Power of Attorney by the Company or by any other means and the time of such revocation becoming known to the Attorney.

AND FURTHER this Power of Attorney shall be concurrent with and co-terminus to the Attorney's employment with the Company and shall stand cancelled and be revoked automatically in the event the Attorney ceases to be in the employment of the Company for any reason whatsoever.

IN WITNESS WHEREOF the Company has caused its Common Seal to be hereunto affixed at Mumbai this 18 day of June 2009

THE COMMON SEAL of the abovenamed ITD)
CEMENTATION INDIA LIMITED, was pursuant to a)
Resolution of the Board of Directors of the said)
Company passed in that behalf on the 27th day of May,)
2009 hereunto affixed in the presence of :)

MR. PESHWAN JEHangIR
DIRECTOR

MR. R. C. DAGA
COMPANY SECRETARY

Accepted

S.S. Singh
Managing Director
ITD CEMENTATION INDIA LIMITED
1st floor, Dani Wooltex Compound,
158, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai 400 098

VERIFIED BY MR.

MUTAVALLI G. M.

Advocate High Court
C.M.M. Court Mahapalika Marg
Mumbai-400 001. 9323557803

ATTESTED BY ME

D. R. SAWANT
M.COM.LLB

ADVOCATE HIGH COURT
NOTARY GOVT. OF INDIA
14, SHREEJI, SHIRIN APT. BLDG. NO. 5
OPP. GANGA JAMUNA CINEMA,
TARDEO, MUMBAI 400007

ATTESTED TRUE COPY

M. S. BHAI SARE

D. R. SAWANT
GREATER MUMBAI
(MAHARASHTRA)
Regd. No. 6531

2 JUN 2009

KNOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, IMC Limited having registered office at 232/A, Acharya Jadish Bose Road , Kolkata 700020 and ITD Cementation India Limited having registered office at 1st Floor, Dani Wooltex Compound, 158, Vidyanagari Marg, Kalina, Santa Cruz (East), Mumbai 400 098 (hereinafter collectively referred to as the "Principals") do hereby irrevocably designate, nominate, constitute, appoint and authorize IMC Limited having its registered office at 232/A, Acharya Jagadish Bose Road, Kolkata 7000 20 being one of the members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the "Attorney"). We hereby irrevocably authorize the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and in the event the Consortium is awarded the concession / contract, during the execution of the Projects, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its bid for the project, including but not limited to signing and submission of all applications, bids and other documents and writings, participate in bidders and other conferences, respond to queries, submit information/documents, sign and execute contracts and undertakings consequent to acceptance of bid of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and /or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium's bid for the Project and / or upon award thereof till the Concession Agreement is entered into with the Authority.


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

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS 17th DAY OF SEP 2009.

for IMC Limited

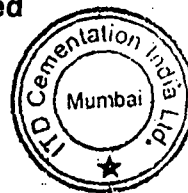

Ajay Kumar Sahoo
Vice President Business Development

Witnesses:

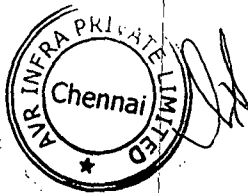
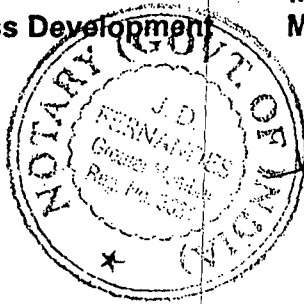

S.R. PATIL B.A.L.L.&
ADVOCATE HIGH COURT
1/1-A, Mahendra & Co
Chandivali, S.V. Road
MUMBAI - 400 072

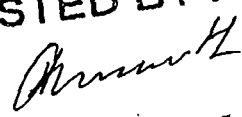
for ITD Cementation India Limited


Mr Sunil Shah Singh
Managing Director



Witnesses: 17/09/09



ATTESTED BY ME

FERNANDES J. D.
NOTARY (GOVT. OF INDIA)

17 SEP 2009



Our ref.: R.139.03.2002

September 23, 2002

CONTAINER BERTH OF VIZAG SEAPORT LTD., AT VISAKHAPATNAM

- REPORT FOR DYNAMIC PILE TESTING ON TWO BORED PILES
- (Pile Nos. 35B, 46C)

1.0 INTRODUCTION

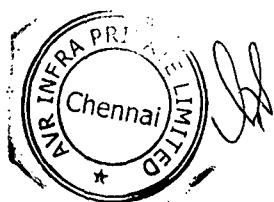
M/s Geo Dynamics was engaged by M/s. Gammon India Limited to conduct dynamic pile testing on two r.c. bored pile installed at the above project site.

The aim of testing was to evaluate pile static capacity and measure settlement under this measured load. The field tests were conducted on 12th September 2002. This report presents the results of dynamic pile testing and analysis using the Pile Driving Analyzer, PDA.

2.0 PILE DETAILS

The piles being tested were 1200mm diameter r.c. bored piles, the details of which are given below. The piles were tested using a 10-ton hammer falling from a height of 1m to 3.5m.

Pile No.	35B	46C
Pile length below gages	25.6m	25.4m
Pile Diameter	1200mm	1200mm
Hammer Weight	10T	10T
Drop Height	3.0m	3.5m
Working load	550.0T	550.0T
Testing load	825.0T	825.0T



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al Stamp Office, Mumbai.

महाराष्ट्र MAHARASHTRA

अनिल मांडकर

परवाना धारक मुद्रांक विक्रेता क्र. ९१

CC 798719

महाराष्ट्र कोर्ट एला. नो. एस. मार्ग, मुंबई - ७०.

क्रमांक २३५४ दिनांक.....

श्री/श्रीमती.....

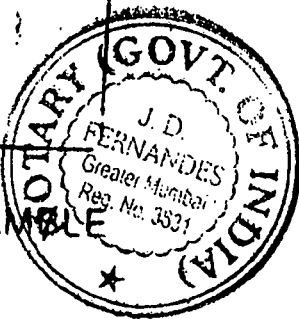
यांना गैर न्यायिकेतर.....

मुद्रांक पेपर विकला

7 SEP 2009

28 AUG 2009

Proper Officer



SHRI. L. S. BAMBLE

विक्रत्यायी सह

APPENDIX - IV

POWER OF ATTORNEY FOR LEAD MEMBER OF CONSORTIUM



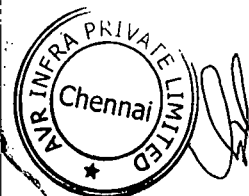
Whereas the Visakhapatnam Port Trust ("the Authority") has invited bids from Pre-qualified parties for "Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Project"

Whereas, IMC Limited and ITD Cementation India Limited (collectively the "Consortium") being members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposal and other connected documents in respect of the Project, and

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



Signature



Signature



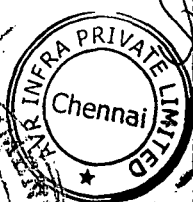
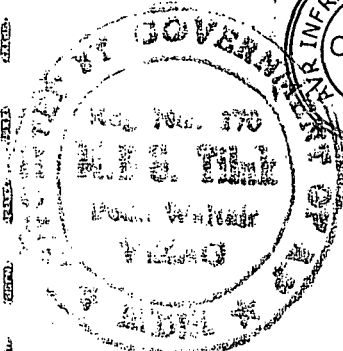
தமிழ்நாடு தமிழ்நாடு TAMILNADU

M 763941

V. THIRUVENGADAM
STAMP VENDOR
L.No. C-4-13531/7
37, K.B. DASAN ROAD
CHENNAI - 600 018

Power of Attorney

Know all men by these presents, We, **IMC Limited** an existing Company within the meaning of Section 3(1)(ii) of the Companies Act, 1956 having its registered office at 232/A, Acharjya Jagadish Chandra Bose Road, Kolkata - 700 020 and Corporate office at 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018 represented by **Shri K.Kannan**, Deputy General Manager - (Finance & Accounts) & Secretary, do hereby irrevocably constitute, nominate, appoint and authorise **Mr.U.Sekhar** S/o Mr.U.Manmada Rao, residing at, MIG-9, 50-54-9/1, Seethammadhara (N), Visakhapatnam - 500 013 who is presently employed with us, and holding the position of Sr. Manager - Operations, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bid for the **Development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo project on DBFOT basis proposed or being developed by 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.



ATTESTED

NOTARY

VISAKHAPATNAM
CHENNAI DISTRICT

For IMC Limited

K. Kannan
Company Secretary

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AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully 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, IMC LIMITED, THE ABOVE NAMED PRINCIPAL
HAVE EXECUTED THIS POWER OF ATTORNEY ON 18th DAY OF SEP 2009

for IMC Limited



K. Kannan

Deputy General Manager – (Finance & Accounts) & Secretary

Witnesses.

BALARAMU K
24/1, Kalaimagal Street, Cholaimeedu,
Chennai - 600 094

(Balaramu. Kodari) sf.

T. L. KIRUBAKAR
New No 7, Kalbari Nagar
East Tambaram, Chennai - 600 059

(T L Kirubakar)

Accepted by :

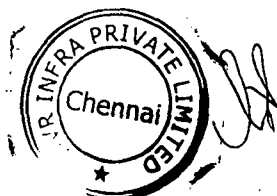
(U. Sekhar)
U. Sekhar (Sr. Manager - Operations).....



ATTESTED

NOTARY
VISA KHAPATNAM
CHENNAI PRADESH
INDIA

M. B. G. TILAK
ADVOCATE & NOTARY
O. No : 1-1-113, Pedawalliar
Beside Rama Lakshmi Apartment
VISA KHAPATNAM-3



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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-IV/
Dt. 23-09-2009.

To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM – 530 003.

FAX No: 0891 2754137

Dear Sir,

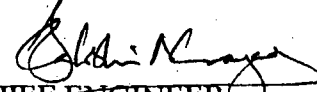
Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

The RFP document for the subject project work was issued to you.

In this context, please find enclosed here with a copy of Corrigendum 5 to RFP document of
the subject project.

Encl: Copy of Corrigendum -5 ??

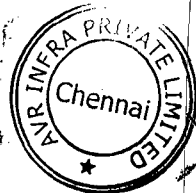
Yours faithfully,


CHIEF ENGINEER 23

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

Encl. not attached
W
24/9/09









VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

No: IENG/EE(Projects)/EQ -10
Dt. 22-9-2009.

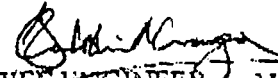
CORRIGENDUM - 5

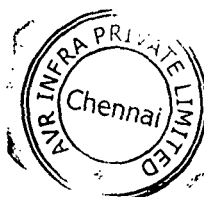
Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DEFOT' basis - Reg.

Ref: This office letter No. IENG/EE(Projects)/EQ-10/Pt.IV/212 Dt. 12-9-2009.

In continuation to this office letter cited, it is to inform that the dates mentioned against serial numbers 5 & 6 of the schedule at page 7 under clause 1.3 of Introduction of RFP document are modified as indicated below:

	Event Description	Existing date	Modified date
5	Submission of Bids	24-09-2009 Up to 11.00AM	25-09-2009 Up to 3.00 PM
6	Opening of Bids	24-09-2009 After 11.30 AM	25-09-2009 After 3.30 PM


CHIEF ENGINEER 23/9





स्पाड पोस्ट
SPEED POST

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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt.IV/210
Dt. 11-9-2009.

To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM - 530 003.

FAX No: 0891 2754137

Dear Sir,

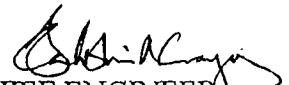
Sub: Development of Eastern Quay -- 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - Reg.

Ref: M/s. IMC Ltd., Vsp Lrs Dt. 31-8-2009 & 6-9-2009

Please refer to your letter cited.

Please find enclosed herewith the statement showing the queries raised by the short-listed firms
and VPT remarks thereon in connection with the subject project for information and necessary action.

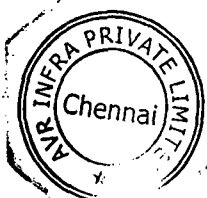
Yours faithfully,


CHIEF ENGINEER 11/9/09

Encl: As above

O/C

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




14/9/09
प्रविष्ट
DESPATCHED



APPENDIX-7

PRELIMINARY DESIGN CRITERIA AND TECHNICAL SPECIFICATIONS

GENERAL:

The loading standards for the proposed two Multipurpose Berths will have to conform to the Bureau of Indian Standards in the absence of which other relevant international standards. The final design criteria to be adopted for the terminal by the bidders is left to the bidders depending on their design, proposed equipment etc., However, the design and design standards shall be subject to the approval of the Licensor.

2. Details adopted at a neighboring berth:

The loading standards used in designing and construction of the existing Multipurpose EQ7 Berth are given herein for the information of the bidders.

DESIGN CRITERIA ADOPTED FOR THE EXISTING EQ.7 BERTH IN THE INNER HARBOUR AT VISAKHAPATNAM PORT TRUST

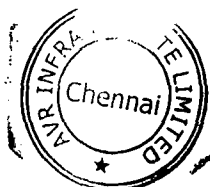
DESIGN DATA AS PER TENDER

A) DESIGN DATA

The following data is to be used in designing berthing structure.

A) Vertical live load:

- i) Electrical wharf crane with 5.79 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 upto 50% over those given in the sketches.
- ii) B.G.Railway main line loading with impact factor anywhere on wharf. (As per Railway Standard)
- 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 4.50 m.
- iv) I.R.C. 70 R tracked or wheeled vehicles loading (IRC 6)
- v) Uniformly distributed load of 5 tonnes per sq.mtr. on the wharf and on fill behind (IS 4651 Pt.III).
- vi) The deck elements shall also be designed for localised concentrated loads from steel coils etc. For this purpose a concentrated load of 20 tonne with line contact of 1.00 m is to be considered on a width of 0.20 m.



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3) LATERAL LOAD:

) Earth pressures:

Due to soil in contact with the structures including the effect of surcharge loading of 5 /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.

i) Berthing impact:

A horizontal reaction forces of 240 tonne on any fender unit.

For locations other than at fender units, the fascia wall and the structure behind shall be designed to withstand a horizontal impact force of 30 tonnes as a point load.

ii) 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.

v) Braking forces of 1/40th vertical live load.

) Seismic and wind force as per relevant I.S. Code.

i) The effect of temperature on shrinkage forces.

) Design dredged depth:- -12.00 metres.

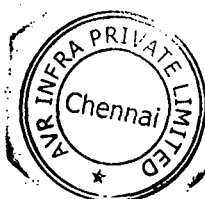
) Permissible stresses, partial safety factors for loads

) SUB-STRUCTURE:

) Limit-state method of design is to be adopted and partial safety factors on materials and loads as follows :

Partial safety factor for material 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 F0 415 grade of steel are to be used.

2.SUPERSTRUCTURE:

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 : DL, LL and each pressure - 1.50(b) 15% increase in the allowable 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 0.00 times to clear cover to the main reinforcement.

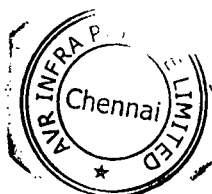
d) M30 grade of concrete and Fe 415 grade of steel are to be used.

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 for pressure relief in the dock shall be provided.

h) Expansion joints in the structure shall be provided as required.

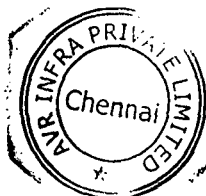


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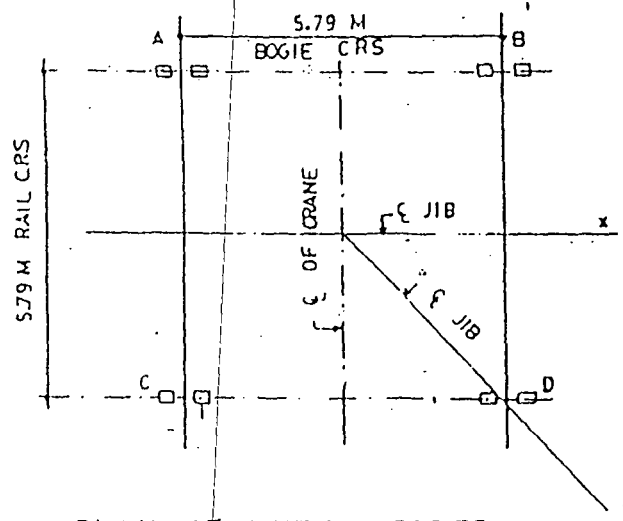
122

3. Project design requirement:

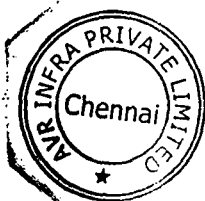
The proposed two additional multipurpose berths in the Northern Arm of Inner Harbour of Visakhapatnam Port is to be developed to accommodate 1 No. of 195 M LOA vessel (at EQ9 berth) and one number of 195 M LOA vessel (at EQ8 berth) by dredging and extending the Northern Arm with a basin width of about 176 M. The quay length proposed to be developed on the Eastern side is about 255.0 M for EQ8 and about 255.0 M for EQ9. In addition a quay length of 60 M is to be constructed by the bidder of EQ9 berth for protection of dredged slopes at the Northern end. This 60 M length would become part of EQ10 berth that may be built in future and would be under the control of the agency developing and operating the EQ10 berth. The bidder for EQ9 berth shall note this aspect and no claim would arise on this account. Similarly undertaking construction activity at EQ-10 and EQ8 berth and its back space in future cannot be considered as hinderances to the operations at EQ-9 berth. The berths designed for 35000 DWT Vessels of -10.06 M Draft shall also cater to ultimate dredged depth of -12.0 M to accommodate larger Vessels.



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DESIGN DATA FOR EQ-7 EXISTING BERTHDETAILS OF LOADING OF ELECTRICAL WHARF CRANE WITH 5.79M GAUGEPLAN OF WHEEL BOGIES

NUMBER OF BOGIES	4
NUMBER OF WHEELS PER BOGIE	2
MAXIMUM WHEEL LOAD	571 (PER WHEEL)



175

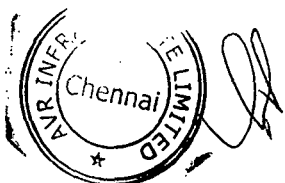
CONTAINER BERTH OF VIZAG SEAPORT LTD.
DYNAMIC PILE TESTING
ON TWO R.C. BORED PILES
(Pile Nos. 35B, 46C)

CLIENT : M/s. Gammon India Limited
C/o. S4 Gally, Coal Jetty Area
Near GFCL
Visakhapatnam (A.P.)

TEST AGENCY : M/s. GEO DYNAMICS
'Kalpataru', 1, Ravideep Society
Near Atmajyoti Ashram,
Race Course, Baroda 390 023
Tel : 91-265-393205, 390513
Fax : 91-265-393205

OUR REF. : R.139.03.2002

DATE : September 23, 2002



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CONTENTS

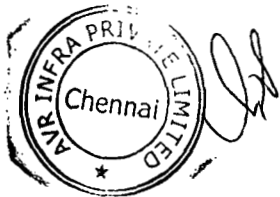
1. INTRODUCTION
2. PILE HAMMER DETAILS
3. TEST EQUIPMENT
4. PDA FIELD TESTING AND RESULTS
5. CAPWAP ANALYSIS
6. DISCUSSION OF RESULTS
7. CONCLUSION

TABLES

- TABLE 1 : SUMMARY OF PDA FIELD RESULTS
- TABLE 2 : SUMMARY OF CAPWAP ANALYSIS RESULTS

APPENDICES

- APPENDIX A : CAPWAP ANALYSIS FOR PILE NO. 35B
- APPENDIX B : CAPWAP ANALYSIS FOR PILE NO. 46C



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3. TEST EQUIPMENT

A Pile Driving Analyzer™ – Model PAK and its associated pile top force and velocity transducers were used to conduct the dynamic pile test.

Two strain transducers and two accelerometers were attached to the pile head. They were mounted on opposite sides of the pile to cancel bending effects during each strike of the hammer. The signals of strain and acceleration were conditioned and processed by PDA.

The PDA is a micro-processor based signal conditioner and digital computer. Signals of pile top force and velocity were measured and analyzed during each strike of the pile driving hammer and stored in the Analyzer. The pile top force and velocity-time curves were displayed on laptop computer screen. Real time analogue signals of the pile top force and velocity were also recorded using the PDA and later stored in the field computer unit.

The PDA onsite uses a program based on closed form Case-Goble solutions to compute static pile capacity from the pile top force and velocity data. This is subsequently checked with the computer program CAPWAP to confirm the static pile capacity obtained on site.

4. PDA FIELD TESTING AND RESULTS

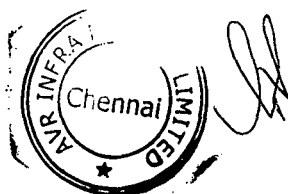
Dynamic testing on the pile was conducted by striking the piles several blows during the restriking process. During testing of the pile, complete dynamic measurements were obtained for each hammer blow delivered to the pile. The field results along with comments for each blow are summarized in Table 1.

The PDA measures the total (static plus dynamic) resistance acting on the pile. The portion of total resistance that is computed as static resistance by the Analyzer is determined by the soil damping factor J_c set into the analyzer. A more accurate independent measure of the applicable soil damping factor was determined using a CAPWAP analysis.

5. CAPWAP ANALYSIS

A selected PDA field recording of force and velocity data for a blow delivered to the piles was further analyzed using the CAPWAP (Case Pile Wave Analysis Program) computer software. The analysis involved applying the measured pile top velocity time record to the top of a lumped-mass and spring wave equation model of the pile.

The program computes the pile top force-time record and this is then compared to the actual measured force-time record. The pile and soil resistance model is then adjusted in an iterative procedure until good match is obtained between measured and computed forces.



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The pile and soil models can then be used to determine the estimated static load-settlement curve. The results of CAPWAP analysis for a typical blow are briefly summarized in Table 1.

6. DISCUSSION OF RESULTS

6.1 Pile No. 35B

The CAPWAP analysis results on Pile No. 35B showed that the pile had achieved a safe capacity of 1001.44 tons at the time of testing. This resistance is more than 1.8 times of the design/working load. The capacity is applicable at the time of testing and further soil strength changes with time had to be considered.

The CAPWAP results showed that the maximum compressive stress experienced by the pile at the hammer impact was about 10.43 N/mm^2 . This stress is within the allowable stress limits of the r.c. bored pile. The pile integrity was observed to be 100%.

From CAPWAP analysis, the pile top load vs. settlement curve is obtained by simulating static load test. The pile top settlement at 825 tons (equivalent test load for static test) is estimated to be about 6.4mm. Please refer to static analysis in Appendix A.

6.2 Pile No. 46C

The CAPWAP analysis results on Pile No. 46C showed that the pile had achieved a safe capacity of 851.31 tons at the time of testing. This resistance is 1.5 times of the design/working load. The capacity is applicable at the time of testing and further soil strength changes with time had to be considered.

The CAPWAP results showed that the maximum compressive stress experienced by the pile at the hammer impact was about 14.38 N/mm^2 . This stress is within the allowable stress limits of the r.c. bored pile. The pile integrity was observed to be 100%.

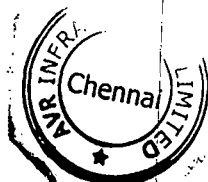
From CAPWAP analysis, the pile top load vs. settlement curve is obtained by simulating static load test. The pile top settlement at 825 tons (equivalent test load for static test) is estimated to be about 10.8mm. Please refer to static analysis in Appendix B.

7. CONCLUSION

The CAPWAP analysis results on all the tested piles showed that they had achieved total activated static capacities of more than 1.5 times the design/working load (550 tons) at the time of testing. The integrity factor observed to be satisfactory. The compressive stress in the pile was within the code limits during any stage of testing.

For Geo Dynamics

Ravikiran Jaidya



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TABLES

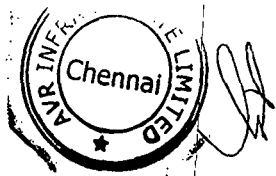


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Our ref.: R.139.03.2002

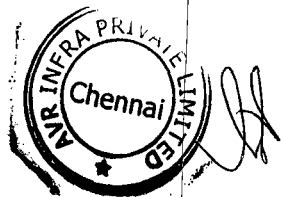
TABLE 1 - SUMMARY OF CAPWAP ANALYSIS RESULTS FROM FIELD DATA

Pile No.	35B	46C
Measured Pile Capacity	1001.44 tons	851.31 tons
Skin Friction	590.85 tons	530.82 tons
End Bearing	410.59 tons	320.49 tons
Net Displacement	1.23mm	5.67mm
Total Displacement	8.64mm	12.32mm
Compressive Stress	10.43 N/mm ²	14.38 N/mm ²
Tensile Stress	3.58 N/mm ²	2.43 N/mm ²
Integrity	100%	100%.



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APPENDIX A



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GEO DYNAMICS

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23-Sep-2002

VIZAG SEAPORT, Project: R.139.03/2002

Pile: 35B

Blow: 4

Data: 1200MM

Collected: 02-09-12

Operator: Geo Dynamics

CAPWAP(R) Ver. 1997-1

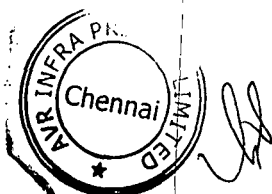
CAPWAP FINAL RESULTS

Total CAPWAP Capacity: 10014.4; along Shaft 5908.5; at Toe 4105.9 kN

Soil Sgmnt No.	Dist. Below Gages	Depth Below Grade	Ru kN	Force in Pile at Ru kN	Sum of Ru kN	Unit Resist. w. Respect to Damping Depth kN/m	Resist. Area kPa	Smith Factor s/m	Quake mm
				10014.4					
1	3.1	2.8	.0	10014.4	.0	.00	.00	.909	2.540
2	5.1	4.8	.0	10014.4	.0	.00	.00	.909	2.540
3	7.2	6.9	28.9	9985.5	28.9	14.13	3.75	.909	2.540
4	9.2	8.9	153.4	9832.1	182.3	74.91	19.87	.909	2.540
5	11.3	11.0	205.1	9627.0	387.4	100.15	26.56	.909	2.540
6	13.3	13.0	207.3	9419.7	594.8	101.23	26.85	.909	2.540
7	15.4	15.1	165.3	9254.3	760.1	80.72	21.41	.909	2.540
8	17.4	17.1	24.4	9230.0	784.4	11.90	3.16	.909	2.540
9	19.5	19.2	151.6	9078.4	936.0	74.02	19.63	.909	2.540
10	21.5	21.2	1058.9	8019.5	1994.9	517.04	137.15	.909	2.540
11	23.6	23.3	1858.9	6160.5	3853.9	907.69	240.77	.909	2.540
12	25.6	25.3	2054.6	4105.9	5908.5	1003.23	266.11	.909	2.540
Average Skin Values			492.4			233.54	63.77	.909	2.540
Toe			4105.9				3630.34	1.308	1.900

Soil Model Parameters/Extensions

		Skin	Toe
Case Damping Factor		.500	.500-Smith Type
Unloading Quake	(% of loading quake)	75	80
Reloading Level	(% of Ru)	0	0
Unloading Level	(% of Ru)	5	



VIZAG SEAPORT, Project: R.139.03.2002

Pile: 35B

Blow: 4

Data: 1200MM

Collected: 02-09-12

Operator: Geo Dynamics

CAPWAP(R) Ver. 1997-1

EXTREMA TABLE

Pile Sgmt No.	Dist. Below Gages m	max. Force kN	min. Force kN	max. Comp. Stress MPa	max. Tension Stress MPa	max. Trnsfd. Energy kJ	max. Veloc. m/s	max. Displ. mm
1	1.0	11523.9	-345.5	10.189	-.305	39.28	1.1	4.725
2	2.0	11520.4	-733.1	10.186	-.648	39.25	1.1	4.700
4	4.1	11538.4	-1223.6	10.202	-1.082	39.20	1.1	4.627
7	7.2	11689.9	-2146.1	10.336	-1.898	39.11	1.1	4.526
9	9.2	11795.2	-2896.9	10.429	-2.561	38.83	1.0	4.438
12	12.3	11388.0	-3421.6	10.069	-3.025	36.62	1.0	4.330
14	14.3	11152.1	-3660.3	9.861	-3.236	35.39	1.0	4.264
17	17.4	11321.8	-3955.6	10.011	-3.498	34.13	1.0	4.052
19	19.5	11259.3	-4051.7	9.955	-3.582	33.37	1.0	3.801
22	22.5	9770.0	-3448.8	8.639	-3.049	26.76	1.0	3.301
24	24.6	9434.9	-2697.5	8.342	-2.385	20.03	.9	2.991
25	25.6	10125.6	-2692.0	8.953	-2.380	15.18	.8	2.838
Absolute	9.2			10.429		(T=	25.1 ms)	
	19.5				-3.582	(T=	43.4 ms)	

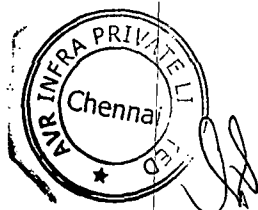
CASE METHOD

	J=0.0	J=0.1	J=0.2	J=0.3	J=0.4	J=0.5	J=0.6	J=0.7	J=0.8	J=0.9
RS1	15084.	14350.	13615.	12880.	12145.	11410.	10676.	9941.	9206.	8471
RMX	15084.	14350.	13615.	12901.	12243.	11584.	10926.	10268.	9681.	9116
RSU	16249.	15631.	15012.	14394.	13775.	13157.	12539.	11920.	11302.	10684
RAU	5605.		RA2	7048.						

Current CAPWAP Ru= 10014.4;

Corresponding J(Rs)= .69; J(Rx)= .74

VMX	VFN	VT1*Z	FT1	FMX	DMX	DFN	EMX	EFN	RLT	RE
1.10	.0011462	.510971	.711288	88.9	4.772	.637	39.3	38.9	14897.	12918



165

GEO DYNAMICS

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23-Sep-2002

VIZAG SEAPORT, Project: R.139.03.2002

Pile: 35B

Blow: 4

Data: 1200MM

Collected: 02-09-12

Operator: Geo Dynamics

CAPWAP(R) Ver. 1997-1

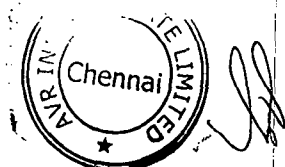
PILE PROFILE AND PILE MODEL

Depth m	Area cm2	E-Modulus MPa	Spec. Weight kN/ m3	Circumf. m
.00	11309.76	36076.0	24.500	3.770
25.60	11309.76	36076.0	24.500	3.770

Toe Area 1.131 m2

Segmnt Number	Dist. B.G. m	Impedance kN/m/s	Imped. Change %	Tension Slack mm	Eff.	Compression Slack mm	Eff.	Circ. m
1	1.02	10735.22	.00	5.000	1.000	.000	.000	3.770
3	3.07	10735.22	.00	.000	.000	.000	.000	3.770
4	4.10	10735.23	.00	.000	.000	.000	.000	3.770
8	8.19	10735.22	.00	.000	.000	.000	.000	3.770
16	16.38	10735.23	.00	.000	.000	.000	.000	3.770
25	25.60	10735.23	.00	.000	.000	.000	.000	3.770

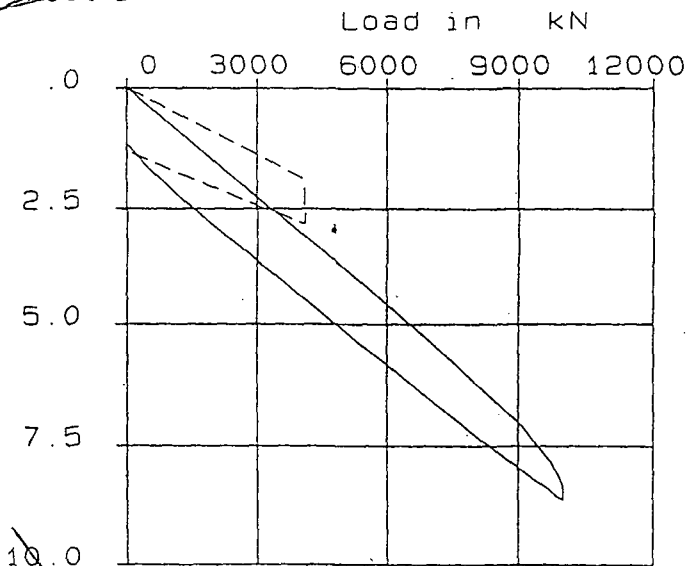
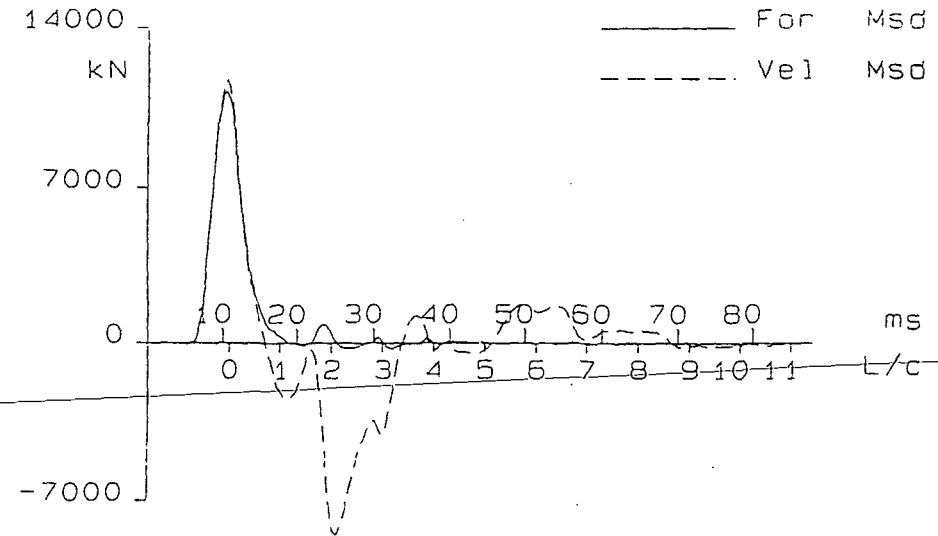
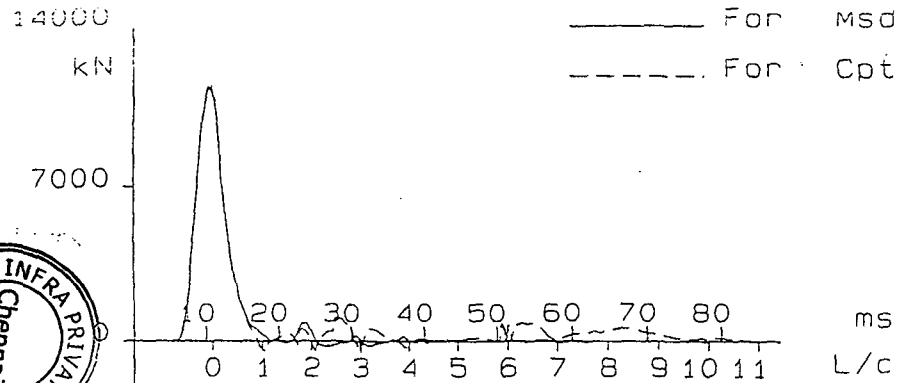
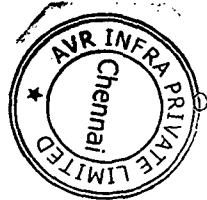
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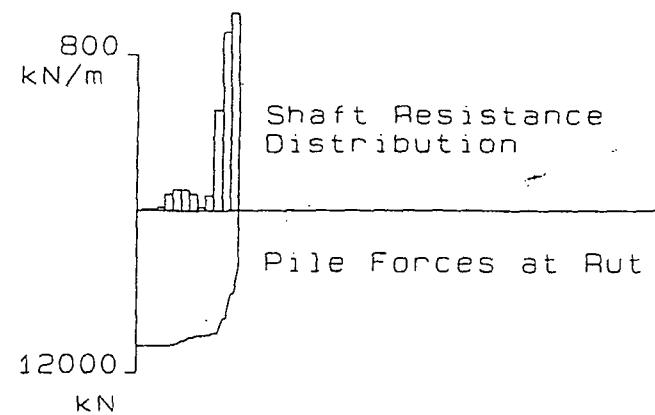
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VIZAG SEAPORT, 35B, BN: 4
GEO DYNAMICS

23-Sep-2002
CAPWAP (R) Version 1997-1



Ru = 10014.4 kN
Rs = 5908.5 kN
Rb = 4105.9 kN
Dy = 8.4 mm
Dmx = 8.6 mm



GEO DYNAMICS

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23-Sep-2002

VIZAG SEAFORT, Project: R.139.03.2002

Pile: 35B

Blow: 4

Data: 1200MM

Collected: 02-09-12

Operator: Geo Dynamics

CAPWAP(R) Ver. 1997-1

STATIC ANALYSIS

Dynamic D-Toe, E-P R-Toe

Step No.	Top Load kN	Top Disp. mm	Toe Load kN	Toe Disp. mm
3	396.6	.298	165.0	.076
4	738.9	.555	307.5	.142
5	1208.0	.908	502.7	.233
6	1816.5	1.365	755.9	.350
7	2562.6	1.926	1066.4	.493
8	3438.1	2.584	1430.8	.662
9	4423.3	3.324	1840.8	.852
10	5445.4	4.110	2280.3	1.055
11	6422.7	4.897	2731.6	1.264
12	7354.5	5.666	3181.4	1.472
13	8255.8	6.412	3620.0	1.675
14	9103.0	7.118	4039.0	1.869
15	9470.6	7.521	4105.9	2.050
16	9732.9	7.846	4105.9	2.217
17	9877.3	8.090	4105.9	2.371
19	10014.4	8.427	4105.9	2.622
23	10014.4	8.643	4105.9	2.838
26	9625.9	8.374	3956.6	2.782
27	9296.4	8.146	3829.8	2.736
28	8906.4	7.875	3679.9	2.680
29	8473.2	7.515	3513.4	2.618
30	8005.9	7.252	3333.7	2.552
31	7510.8	6.900	3143.4	2.481
32	6994.6	6.552	2944.9	2.408
33	6463.3	6.184	2740.6	2.332
34	5925.4	5.811	2533.2	2.255
35	5401.5	5.440	2325.1	2.178
36	4905.1	5.077	2117.9	2.102
37	4434.2	4.724	1912.9	2.026
38	3977.2	4.377	1708.5	1.950
39	3535.8	4.037	1506.5	1.875
40	3110.3	3.710	1311.3	1.803
41	2700.3	3.394	1122.8	1.733
42	2325.9	3.105	950.2	1.669
43	2005.7	2.856	799.5	1.614
44	1718.7	2.633	664.4	1.564
45	1454.5	2.427	540.1	1.518
47	980.6	2.056	312.1	1.433
49	598.0	1.743	102.9	1.356
52	304.4	1.476	.0	1.268
58	78.2	1.232	.0	1.160



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APPENDIX B



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GEO DYNAMICS

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23-Sep-2002

VIZAG SEAPORT, Project: R.139.01.2002

Pile: 46C

Blow: 9

Data: 1200MM

Collected: 02-09-12

Operator: Geo Dynamics

CAPWAP(R) Ver. 1997-1

CAPWAP FINAL RESULTS

Total CAPWAP Capacity: 8513.1; along Shaft 5308.2; at Toe 3204.9 kN

Soil Sgmnt No.	Dist. Below Gages m	Depth Below Grade m	Ru kN	Force in Pile at Ru kN	Sum of Ru kN	Unit Resist. w. Respect to Depth kN/m	Resist. Area kPa	Smith Factor s/m	Quake mm
				8513.1					
1	2.2	1.9	.0	8513.1	.0	.00	.00	.526	2.540
2	4.2	4.0	.0	8513.1	.0	.00	.00	.526	2.540
3	6.3	6.2	.0	8513.1	.0	.00	.00	.526	2.540
4	8.5	8.3	.0	8513.1	.0	.00	.00	.526	2.540
5	10.6	10.4	.0	8513.1	.0	.00	.00	.526	2.540
6	12.7	12.5	.0	8513.1	.0	.00	.00	.526	2.540
7	14.8	14.6	.0	8513.1	.0	.00	.00	.526	2.540
8	16.9	16.7	143.5	8369.6	143.5	67.78	17.98	.526	2.540
9	19.0	18.8	286.9	8082.7	430.4	135.56	35.96	.526	2.540
10	21.2	21.0	717.3	7365.4	1147.7	338.89	89.89	.526	2.540
11	23.3	23.1	1291.2	6074.2	2438.9	610.00	161.81	.526	2.540
12	25.4	25.2	2869.3	3204.9	5308.2	1355.57	359.57	.526	2.540

Average Skin Values 442.3 210.64 55.43 .526 2.540

Toe 3204.9 2833.72 .503 5.420

Soil Model Parameters/Extensions

Skin

Toe

Case Damping Factor

.260

.150-Smith Type

Unloading Quake (% of loading quake)

14

14

Reloading Level (% of Ru)

0

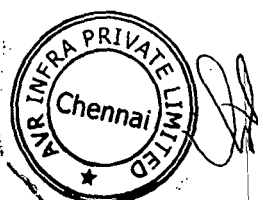
0

Unloading Level (% of Ru)

0

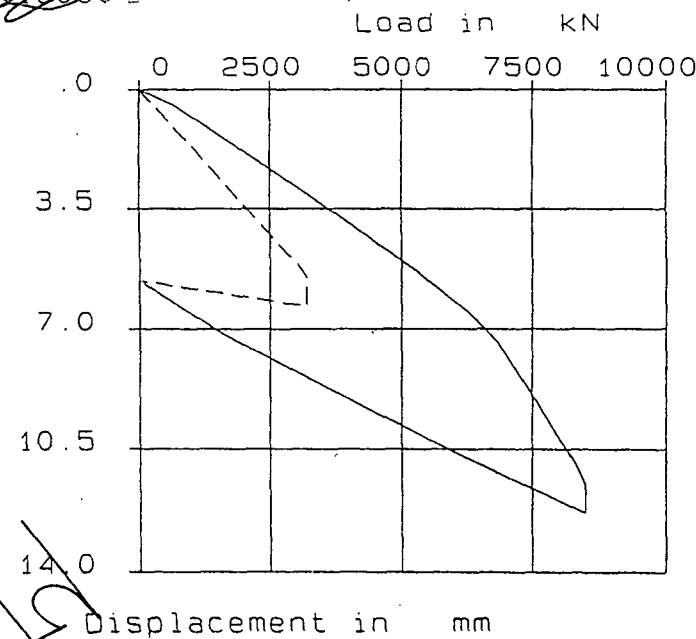
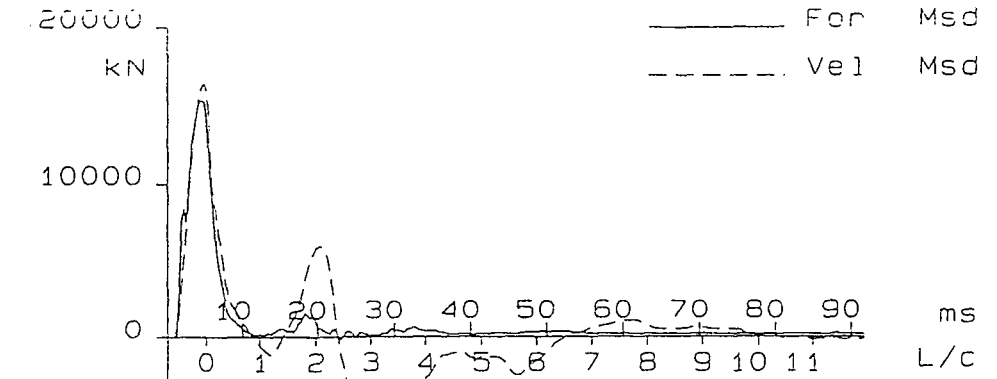
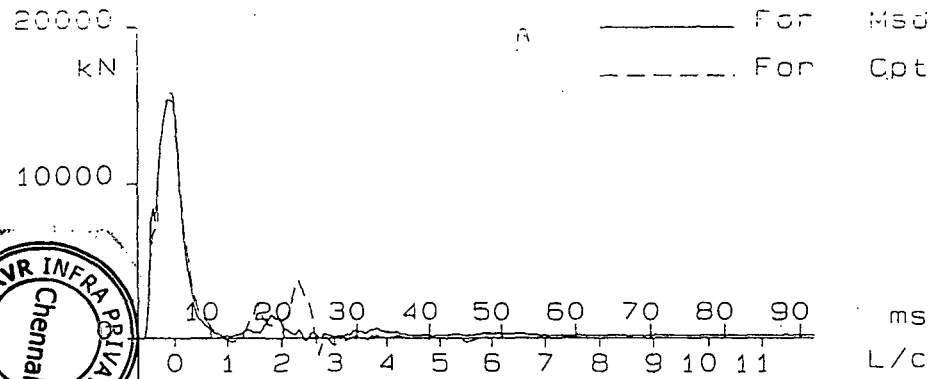
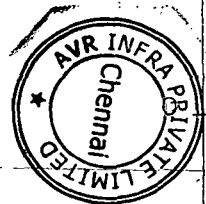
Soil Plug Weight (kN)

40.00



VIZAG SEAPORT. 46C. BN: 9
GEO DYNAMICS

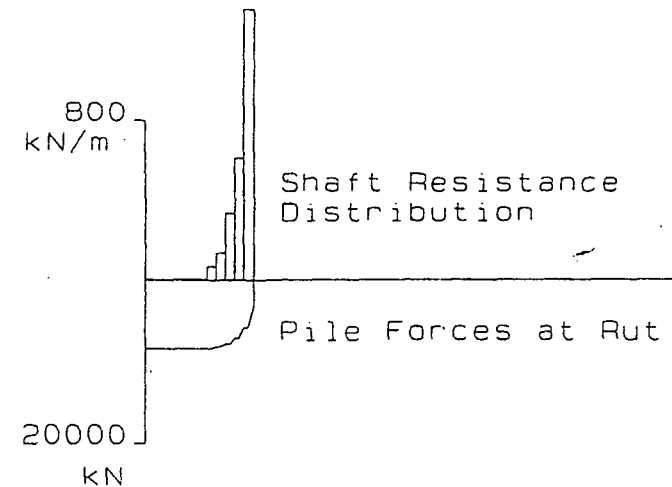
23-Sep-2002
CAPWAP (R) Version 1997-1



Load in kN

— Pile Top
--- Bottom

Ru = 8513.1 kN
Rs = 5308.2 kN
Rb = 3204.9 kN
Dy = 11.5 mm
Dmx = 12.3 mm



152

155

GEO DYNAMICS

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23-Sep-2002

VIZAG SEAPORT, Project: R.139.01.2002

Pile: 46C

Blow: 9

Data: 1200MM

Collected: 02-09-12

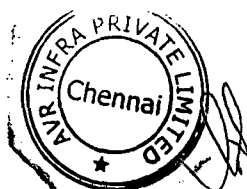
Operator: Geo Dynamics

CAPWAP(R) Ver. 1997-1

STATIC ANALYSIS

Dynamic D-Toe, E-P R-Toe

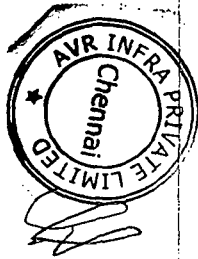
Step No.	Top Load kN	Top Disp. mm	Toe Load kN	Toe Disp. mm
6	680.1	.472	16.8	.029
7	962.9	.766	74.8	.127
8	1466.6	1.288	178.2	.301
9	2165.2	2.012	321.5	.544
10	3055.0	2.934	504.0	.852
11	4116.5	4.045	725.9	1.228
12	5271.0	5.289	981.7	1.660
13	6311.8	6.515	1262.9	2.136
14	6868.7	7.427	1560.5	2.639
15	7174.2	8.168	1866.1	3.156
16	7481.3	8.913	2173.2	3.675
17	7784.7	9.648	2476.5	4.188
18	8075.0	10.352	2766.8	4.679
19	8337.8	10.990	3029.6	5.124
20	8513.1	11.494	3204.9	5.499
22	8513.1	12.009	3204.9	6.014
26	8513.1	12.327	3204.9	6.333
27	7688.2	11.758	3090.7	6.305
28	5984.4	10.568	2843.8	6.247
29	4305.7	9.316	2514.8	6.169
30	3015.3	8.302	2162.3	6.086
31	2066.1	7.528	1836.1	6.008
32	1515.5	7.060	1568.6	5.945
34	1174.5	6.729	1227.6	5.864
37	932.6	6.494	985.7	5.807
41	659.8	6.229	712.9	5.742
44	379.2	5.957	432.3	5.676
47	88.4	5.675	141.5	5.607



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Queries/Request for Additional Information: RFP for Development of EQ-10 Berth at Visakhapatnam Port for handling liquid cargo
RFP Document:

S. No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
1	3	1.1.1	Capital Cost	Please clarify whether the indicated capital cost of Rs.55.38 Crores includes capital dredging.	The capital cost includes cost of capital dredging.
2	3	1.1.3	Scope of Work	<p>This Project depends heavily on the expected throughput from biodiesel industries, which may not materialize for some years, due to prevailing negative market conditions. Hence, VPT should allow more number of cargoes to be handled at this berth.</p> <p>Classification of flammable products is based on flash points and subject to meeting statutory requirements, the petroleum products can be safely handled at the terminal. As the concession already permits Class B and C chemicals, in order to improve the traffic prospects, petroleum products falling under Class B and C, which are permitted at EQ-6 and EQ-7 berths, may be permitted.</p> <p>Requested to permit handling of petroleum class B and C products also at EQ-10 berth.</p>	<p>At EQ6and EQ7, Petroleum products are not handled as stated by the Bidder Cargoes handled at EQ6 &EQ7 are i) Caustic soda ii) Phosphoric acid and iii) Edible oils .For the proposed project , handling of petroleum products are not permitted . Liquid cargo other than POL such as chemicals , Caustic Soda Edible oils, & bio- diesel are envisaged for the project with an exclusivity Clause for Bio- diesel and Bio-diesel products.</p>
3	3	1.1.3	Scope of Work	<p>We apprehend that there will be practical difficulties to undertake dredging for a small portion of the basin. As VPT will be dredging a good part of the basin, we request that the capital dredging in front of the EQ-10 and part of the EQ-9 area is also carried out by VPT.</p> <p>We request that the scope of work is modified to the effect that capital dredging in front of the berth is undertaken by VPT.</p>	Provision made in the RFPdocument holds good.
4	4	1.1.3	Storage facilities	We request clarification whether environmental clearance for the project including storage tanks on the earmarked land has been obtained by VPT	Provision made in the MCA document holds good.

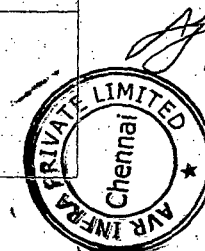


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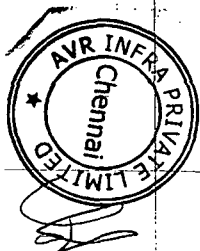
No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
5	7	1.3	Schedule of Bidding Process -Last Date for receiving queries	In view of the special requirements of the Project, such as taking over part of the berth from existing BOT operator, we require more time to study the RFP documents and Draft Concession Agreement and hence request that the last date for receiving queries be extended to 5-9-2009	Considered
6	23	3.3.2	Selection of Bidder: In case of tie, highest bidder shall be identified by draw of lots	We request the VPT to invite fresh Bids as "Second round of bidding" rather than using the process of drawing lots.	Provision made in RFP document holds good

Draft Concession Agreement

No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
7	11	1.1	Definitions Date of Commercial Operation	In practical terms, the Project may commence operations, before the Concessionaire actually receives the Completion Certificate. Hence it is requested that the Date of Commercial operations be defined as the date on which the Concessionaire receives the Completion Certificate in accordance with the provisions of this Agreement/MPT Act or the date of receipt of the first vessel at the berth, whichever is earlier. Request to suitably modify the definition as above.	Provision made in the MCA document holds good.
8	13	1.1	Definitions Gross Revenue	Gross Revenue shall exclude any revenues from treasury activities such as interest on deposits etc Definition to be expanded to include the above.	Provision in MCA document holds good

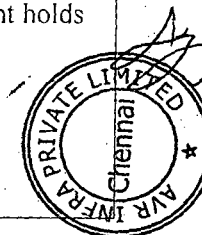


No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
9	14	1.1	Liquid Cargo	Under #1, we have requested the permitted products to include Class B and C petroleum products also. Definition to be modified to include Class B and C products	Same as the clarification given at SI No 2, clause 1.1.3,
10			Definitions (New)	The term "Concessionaire" to be defined for the sake of clarity	Provision made in the RFP document holds good.
11	25	3.1 (a) (xii)	Agreement/MoU with the existing BOT Operator	<p>Since this provision is a part of condition precedents to be fulfilled by the Concessionaire, please clarify:</p> <p>(a) whether the EQ-9 berth BOT Operator is also bound to enter into Agreement/MoU with the selected bidder for EQ-10 berth, in accordance with the terms of this clause.</p> <p>(b) the procedure and timeline for the handover of the 60 meter berth length by EQ-9 BOT Operator to the selected bidder</p> <p>(c) that VPT would facilitate the Agreement/MoU between the two BOT Operators and how any possible delays would be avoided in concluding the Agreement/MoU</p>	<p>a) BOT operator of EQ-9 consented to enter into an MOU.</p> <p>b) VPT would make available the 60m berth length of EQ-9 from BOT operator to the concessionaire of EQ-10 berth. This would be done before completion of the construction of EQ-10</p> <p>(c) VPT can only facilitate in the pursuit of MOU between concessionaire of EQ-10 and BOT operator of EQ-9</p>

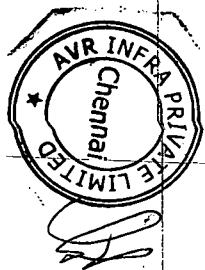


(18)

No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
12	21	3.1 a) vii)	Conditions Precedent Financing Plan and Financial Close	Financial Close may require compliance with other conditions not covered under Article 3, it is requested that additional time of 45 days is provided to furnish the Financing Documents.	Time lines as already provided in RFP / informed through corrigendum shall hold good.
13	22	3.1 b) (i)	Conditions Precedent Procurement of clearances	Please clarify that the environment clearances relating to the land and waterfront, including the tankfarm, shall be obtained by the Concessioneing Authority before handing over the respective sites to the Concessionaire.	Provision made in the MCA document holds good.
14	25	3.2	Conditions Precedent Compliance within 90 days from the Date of the Agreement	Request clarification that the Date of Agreement is the date on which the Agreement is signed by both the Concessioneing Authority and the Concessionaire. The term "Date of the Agreement" to be defined for the sake of clarity.	Provision made in the MCA document holds good.
15	24	3.6	Conditions Precedent Liable for Termination	It is suggested that the option of termination is available only if the Agreement is frustrated or rendered impossible to perform due to the non-fulfillment of the conditions precedent. Clause to be suitably amended.	Provision made in the MCA document holds good.
16	26	5.1 (c)	Independent Engineer Costs and expenses	As the Independent Engineer is appointed by the Concessioneing Authority solely for the services to be rendered to the Concessioneing Authority, it is requested that the costs and expenses of the Independent Engineer be borne by the Concessioneing Authority.	Provision made in the MCA document holds good.




4/12



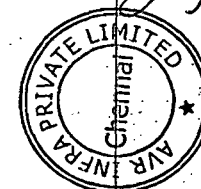
No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
17	30	6.2 (b)	Independent Engineer Time of review of design and drawings	It is requested that the time for review of design and drawings and providing comments/observations and suggested be reduced to 15 days to enable speedier implementation of the Project	Provision made in the MCA document holds good.
18	31	6.3	Construction Phase	<p>(i) The term "Date of Commencement of the Concession Period" is to be defined for sake of clarity</p> <p>(ii) The schedule of 18 months is not sufficient for construction and it is required to provide time of 24 months from the Date of Commencement of Concession Period or such date as mutually agreed and approved by the Concessioneing Authority"</p> <p>(iii) Please clarify that the Concessionaire shall not be held in default, if the Project has been completed in time and there is delay in obtaining the Completion Certificate from the Independent Engineer, for reasons not attributable to the Concessionaire. It is requested that an enabling provision to this effect is included in the Clause.</p>	<p>Provision made in the MCA document holds good.</p> <p>iii) It is the obligation of the concessionaire to obtain the Completion Certificate and the Provision in MCA document holds good</p>

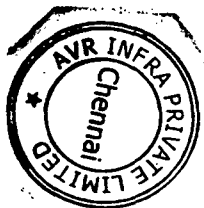
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5/12



No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
19	33	6.7 (e)	Issue of Completion Certificate	<p>The provisions of this clause appear to be relevant for construction contracts and not BOT Agreements. It is in the best interests of the Concessionaire to complete the Project, commission the same and start earning revenues. The case of reducing the scope of Project and Concessionaire saving any Project Cost is highly improbable and hence it is requested that this provision is reviewed and deleted or amended appropriately.</p> <p>It is also requested that provision is included for extension of the time allowed for Construction in the event of Force Majeure or Concessioneing Authority Event of Default.</p>	Provision made in the MCA document holds good.
20	36	6.8 (g)	Change of Scope	<p>As this is a BOT project, the works envisaged in the Change of Scope should be executed by the Concessionaire directly as part of the Project. It is not in the best interests of the Project to invite competitive bids for the works envisaged in Change of Scope as it could delay the Project Implementation schedule and also result in higher costs, if a new contractor is appointed only for the additional works.</p> <p>Requested that the provision of inviting competitive bids is deleted from this clause.</p>	Provision made in the MCA document holds good.
21	37	6.9	Liquidated Damages	<p>It is possible that the Project could be completed in time, although there are some delays in achieving the set Milestone Dates. Under this scenario, there should be no Liquidated Damages, as the Concessioneing Authority has not suffered any losses/damages.</p> <p>Please clarify that the Liquidated Damages shall be applicable only for delays beyond the construction time or such extended time period and not applicable for delays in completing Milestones.</p>	Provision made in the MCA document holds good.





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No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
22	39	7.1 (a) (iv)	Repairs, Replacement or Restoration	<p>Under this provision, the concessionaire is required to, at its own cost, repair, replace or restore the Project Facilities or part thereof which may be lost, damaged or destroyed for any reason whatsoever.</p> <p>The above provision is not equitable as there are different provisions and remedies for loss/damage under different events (such as Force Majeure, Event of Default etc)</p> <p>The clause should therefore be subject to the terms of the Concession Agreement.</p> <p>It is suggested inclusion of the words "Subject to the provisions of the Concession Agreement..." shall be added at the beginning of the clause AND deletion of the terms "for any reasons whatsoever"</p>	Provision made in the MCA document holds good.
23	42	7.1 (a) (xii)	Minimum Guaranteed Cargo	<p>This Project depends on the development of new biodiesel industries and hence traffic is expected to build up over a time. Also, there are other berths, existing and planned, to handle similar cargoes such as caustic lye. Under the circumstances, it is requested that the requirement of Minimum Guaranteed Cargo is waived off. While the Concessionaire can guarantee the minimum level of cargo handling capacity, it is practically not feasible for the Minimum Guaranteed Cargo Throughput for the berth.</p> <p>It is requested the Minimum Guaranteed Cargo stipulation is waived off.</p>	Provision made in the MCA document holds good.

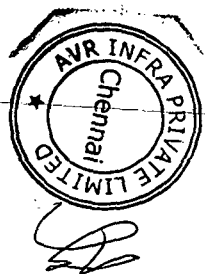
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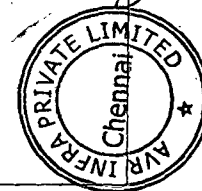
No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
24	43	7.1 (c) (i) (d)	Maintenance of dredged depth	<p>As VPT would be dredging the entry channel, turning basin and also part of the berth area, we request VPT to carry out the capital as well as maintenance dredging alongside the berth. This will ensure that dredging is completed at one stretch and ensure speedier implementation of the Project.</p> <p>Request that the clause is modified to the effect that VPT shall be responsible for capital and maintenance dredging alongside the berth and maintaining the agreed depths.</p>	Provision in MCA document holds good
25	45	7.3	Liability for shortfall in performance	<p>(1) The performance standards achieved may depend on several site specific factors and cargo profiles. Hence the Concessionaire must be allowed a period of minimum one (1) year period for observation of shipments, during when the Concessionaire shall not be liable for any shortfall in performance. After the period of (1) year, the Concessionaire, shall in consultation with the Concessioneing Authority, fix the performance parameters.</p> <p>(2) As an equitable measure, the Concessioneing Authority should first issue a notice to the Concessionaire in case of a shortfall in achieving the indicative norms, giving time of 30 days to enable the Concessionaire to respond to such notice. The Concessionaire shall respond to the notice with justifications and/or a remedial, time bound action plan to overcome the shortfall in performance.</p> <p>(3) Only in cases where the performance norms are not achieved due to acts of willful negligence on the part of the Concessionaire, to be proven by an independent Expert, the Concessioneing Authority shall be entitled to levy liquidated damages for such shortfall in performance.</p> <p>It is requested that the above suggestions be considered and the clause modified suitably</p>	Provision made in the MCA document holds good.





No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
26	47	8.2	Collection of Cesses and Charges	Please clarify that the Concessionaire shall not be responsible if users do not pay the cesses and charges and also not responsible for disputes that the users may have in respect of such cesses and charges.	Provision in MCA document holds good
27	49	9.4	Certified Accounts	<p>This clause does not provide a mechanism to ensure that the Gross Revenue that may be reported by the Additional Auditor is the correct Gross Revenue as per the terms of the Concession Agreement.</p> <p>We suggest that:</p> <p>(1) In the event the Additional Auditor reports higher Gross Revenue, the Concessionaire must be given the opportunity and time of minimum 30 days to study the Additional Auditor Report and respond or provide explanations</p> <p>(2) If the difference in findings of the Statutory Auditor and Additional Auditor leads to a dispute that cannot be resolved, then the option of Dispute Resolution is to be provided.</p> <p>Request that the above clause is modified.</p>	Provision made in the MCA document holds good.
28	52	11.2 (a)	Shareholding	<p>The requirement that the Applicants/Consortium Members should hold 26 percent of the paid up equity capital for the entire concession period may adversely impact the long term strategies of investors.</p> <p>It is suggested that the requirement of Applicants/Consortium holding 26 percent of the paid up equity capital is limited to 10 years from the Date of Commercial Operations.</p> <p>The clause is to be modified as above.</p>	Provision made in the MCA document holds good.

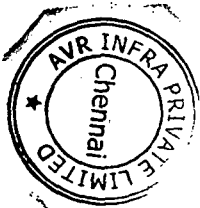
No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
29	60	12.1 (g) (ii)	Condition Survey	It is in the best interests of the Concessionaire to maintain the Project Facilities in good condition. The Concessionaire would have adequate insurance cover for the Assets. Hence the requirement of bank guarantee of Rs.27.96 million is not warranted. Request that the above condition of bank guarantee is waived off.	Provision in MCA document holds good
30	62	13.2 (b)	Change in Law- The Concessionaire's Remedy	<p>Please clarify the basis as to fixing the limit of increase in costs due to Change in Law to Rs.27.69 crores in an accounting year. In the early stage of the concession period, even a smaller level of increase in costs due to Change in Law could adversely affect the financial position of the Concessionaire.</p> <p>We therefore request that the limit of Rs.27.69 million may be reduced to Rs.10 million and the clause modified accordingly</p>	Provision made in the MCA document holds good.
31	69	15.1 (a) (iii)	The concessionaire event of default –	<p>This clause should provide for any extended time beyond 180 days that has been approved by the Concessioning Authority</p> <p>Clause to be modified</p>	Provision made in the MCA document holds good.
32	111	Appendix 4 ii)	Project Requirements Storage Facilities	<p>Requirement of 6 mild steel tanks of 14 m dia and 20m height is indicated. Based on the cargo handling requirements of users, the total capacity of the tankage and the size of individual tanks may vary.</p> <p>In view of above, please confirm that the Concessionaire has the flexibility to decide on the size and capacity of tanks based on user requirements</p>	Yes. subject to meeting the throughput requirements, as provided in concession agreement.



10/12

Clarifications on the Feasibility Report:

No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
33.				<p>(1) We request VPT to provide the following:</p> <p>a) Copy of existing soil investigation reports</p> <p>b) As built drawings and technical data such as bore log data and copy of the report on pile load test for the EQ-9 berth</p> <p>c) Copy of Bathymetry, sounding charts for the water front at EQ-10 area</p> <p>d) Copy of details on Mooring studies conducted if any</p>	<p>a). Yes.</p> <p>b) Yes.</p> <p>C) Not applicable.</p> <p>d) Not available</p>
				<p>(2) Kindly clarify the Minimum size of vessel to be considered for the berthing?</p> <p>(3) Kindly clarify whether the berth width can be modified to have space for housing the handling equipments, hose tower etc</p>	<p>2. There is no limitation on minimum size of vessel, subject to meeting the throughput requirements.</p> <p>3. Berth width and other facilities shall be planned within the available land area earmarked for this project.</p>



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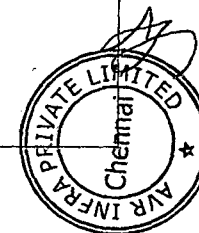
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(14)

Queries received on 06-09-2009 on Concession Agreement

No	Page	Clause No	Present Clause	Request for clarification / modification	Remarks from VPT
34	59	12.2 (c)	<u>Competing Facilities</u> The Concessioning Authority shall not operationalise any additional facility within Port Limits for handling Bio Diesel 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").	This clause, in practical terms does not provide the required exclusivity to the developer of EQ-10 berth, as it provides exclusivity only for biodiesel and not for other cargoes. To ensure viability of the Project, it is requested that the exclusivity clause be modified to include the following: a. The exclusivity should apply for the biodiesel industry cargoes.. i.e biodiesel, biodiesel related products and vegetable oils handled by the biodiesel industries b. During the exclusivity period, except for those users who are already handling the permitted cargoes in other berths, all other users will be permitted to handle the liquid cargoes only at EQ-10 berth. If such users intend to handle new cargoes, then such cargoes shall be handled at EQ-10 only.	<u>Provision made in the MCA document holds good.</u> Exclusivity is applied for Bio-diesel and Bio-diesel products For other Liquid cargoes exclusivity can not be permitted and the Bidder has to complete with other users.

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स्पाइ पास
SPEED POST

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



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt-IV/ 212
Dt. 12-09-2009.

To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM – 530 003.

FAX No: 0891 2754137

Dear Sir,

Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

The RFP document for the subject project work was issued to you.

In this context, please find enclosed here with a copy of Corrigendum 4 to RFP/MCA documents of the subject project.

Yours faithfully,


CHIEF ENGINEER

Encl: -Corrigendum -4

Recd on
15/9/09
W

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







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

ISO 9001 PORT
ISO14000 PORT
OHSAS 18001



No: IENG/EE(Projects)/EQ -10/Pt.IV/196
Dt. 8-9-2009.

To ✓
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM – 530 003.

FAX No: 0891 2754137

Dear Sir,

Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – RFP Document - Issue of Corrigendum – 3 - Reg.

Ref: M/s. IMC Ltd., Vsp Lr Dt. 20-7-09.

Please refer to your letter cited.

As requested in your letter under reference cited, the RFP document for the
subject project work was issued to you.

In this context, please find enclosed here with a copy of Corrigendum 3 to RFP
document of the subject project.

Encl: Copy of Corrigendum - 3

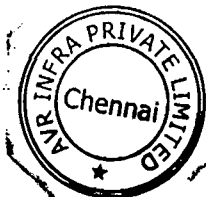
Yours faithfully,

CHIEF ENGINEER

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

10/9/2009

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



VISAKHAPATNAM PORT TRUST
ENGINEERING DEPARTMENT

No: IENG/EE(Projects)/EQ -10
Dt. 8 -9-2009.


CORRIGENDUM - 3

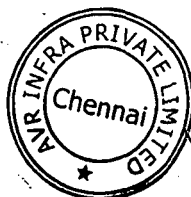
Sub: Development of Eastern Quay – 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis – Reg.

Ref: This office letter No. IENG/EE(Projects)/EQ-10/Pt.IV Dt. 3-9-2009.

In continuation to this office letter cited, it is to inform that the dates mentioned
against serial numbers 5 & 6 of the schedule at page 7 under clause 1.3 of Introduction of
RFP document are modified as indicated below:

	Event Description	Existing date	Modified date
5	Bid Due Date	16-09-2009	24-09-2009 Up to 11.00 AM
6	Opening of Bids	16-09-2009	24-09-2009 After 11.30 AM


CHIEF ENGINEER



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

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001



No: IENG/EE(Projects)/EQ -10/Pt.IV/ 192
Dt. 7-9-2009.

To ✓
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM - 530 003.

FAX No: 0891 2754137

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - RFP Document - Issue of Corrigendum - 2 - Reg.

Ref: M/s. IMC Ltd., Vsp Lr Dt. 20-7-09.

Please refer to your letter cited.

As requested in your letter under reference cited, the RFP document for the
subject project work was issued to you.

In this context, please find enclosed here with a copy of Corrigendum 2 to RFP &
MCA documents of the subject project.

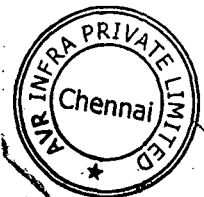
Encl: Copy of Corrigendum - 2

Yours faithfully,

CHIEF ENGINEER

Recd on
08/9/09

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



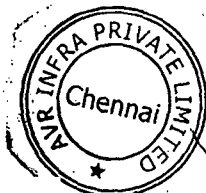
Corrigendum No-2

**SUB: DEVELOPMENT OF EASTERN QUAY BERTH -10 (EQ-10) IN THE
NORTHERN ARM OF INNER HARBOUR OF VISAKHAPATNAM PORT
FOR HANDLING LIQUID CARGO (EXCLUDING POL PRODUCTS) ON
'DBFOT' BASIS**

The following additions/ deletions made & tabulated below in the Respective Documents

In the RFP Document

Sl No	Page No	Clause No	As Per Document	Read As
1	3	1.1.3	-----enable handling of about 1.1 million tones of the above liquid cargo per annum to start with and about 1.85 million tones per annum ultimately -----	-----enable handling of about 1.1 million tones of the above liquid cargo per annum to start with and about 1.84 million tones per annum ultimately --- -----
2.	3	1.1.3	Plan, design, and construct 100m length of berth and 50m length of return wall to cater to the berthing requirement of 12.5m draft vessels. A berth length of 60m constructed as shore protection to EQ 9 berth will become part of EQ 10 berth for operations to accommodate vessels up to 120m LOA;	Plan, design, and construct 100m length of berth and 50m length of return wall to cater to the berthing requirement of 14.0m draft vessels. A berth length of 60m constructed as shore protection to EQ 9 berth will become part of EQ 10 berth for operations to accommodate vessels up to 120m LOA;
3	3	1.1.3	Carry out dredging in front of the berth including the area in front of the existing 60m length of EQ-9 that would become part of EQ-10 berth, including the approaches as indicated in the drawing given in the Feasibility Report, to (-) 10.40m initially and (-) 14.00m ultimately from the present ground level / soundings;	Carry out dredging in front of the berth including the area in front of the existing 60m length of EQ-9 that would become part of EQ-10 berth, including the approaches as indicated in the drawing given in the Feasibility Report, to (-) 12.10m initially and (-) 13.50m & (-) 16.10m in phases in future as per the deepening plans of the concessioning authority from the present ground level / soundings;
4	35	Appendix - II/ Point No-3	However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. ***** (Rupees ***** only).	However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs.5.538 Millions (Rupees Five decimal five three eight millions only).



In the MCA document

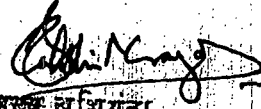
Sl No	Page No	Clause No	As Per Document	Read As
1.	16	1.1	"Request for Proposal" or "RFP" means the Request for Proposal dated [●] issued by the Concessioneing Authority to the applicants shortlisted pursuant to the Request for Qualification and includes any addendum / clarifications issued in respect thereof by the Concessioneing Authority.	"Request for Proposal" or "RFP" means the Request for Proposal dated 20-07-2009 issued by the Concessioneing Authority to the applicants shortlisted pursuant to the Request for Qualification <u>and includes any addendum / clarifications issued in respect thereof by the Concessioneing Authority.</u>
2.	17	1.1	"Supporting Project Infrastructure" means: (a) 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 11.8m.	"Supporting Project Infrastructure" means: (a) 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 (-) 11.80m and planned to be deepened to (-) 13.50m & (-) 16.10 m in phases in future as per the deepening plans of the concessioneing Authority.
3	18	1.2	---	Added "ASTM" means American Society for Testing Materials ' MoEF' means Ministry of Environment and Forests
4	39	7.1(a) (ii) (a)	-----resurveying of pavement, repair of structures and repair and refurbishment of equipments; and	----- repair of structures and repair and refurbishment of equipments; and
5	43	7.1(c) (i) (b)	maintenance of the entrance channel depth (-)11.80 m at present and (-) 13.50 m & (-) 16.10 m. in phases in future as per the deepening plans of the Concessioneing Authority.	maintenance of the entrance channel depth to (-)11.80 m at present and (-) 13.50 m & (-) 16.10 m. in phases in future as per the deepening plans of the Concessioneing Authority.
6	43	7.1 (c)(i)(d)	(d) Maintenance of the dredged depth at berth in the area beyond 50m. from the face line of the berth at (-)11.80m at present and (-) 13.50 m & (-) 16.10 m in phases in future as per the deepening plans of the Concessioneing Authority	(d)Maintenance of the dredged depth at berth in the area beyond 50m. from the face line of the berth at (-)12.10 m initially and (-) 13.50 m & (-) 16.10 m. in phases in future as per the deepening plans of the Concessioneing Authority.
7	44	7.1 (c)(i)(f)	-----required items of Clause 7.1(c)(i)(b) and 7.1(c)(i)(d) to ensure -----	-----required items of Clause 7.1(c)(i)(b), 7.1(c)(i)(d) and 7.1(c)(i)(e) to ensure -----

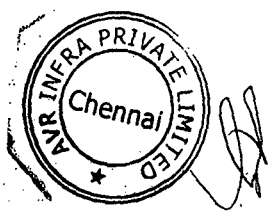


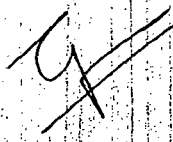
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Sl No	Page No	Clause No	As Per Document	Read As
8	52	11.2 (b)	M/s [●] ("Lead Member") legally and beneficially holds at any time not less than 2% (twenty six percent) of the Consortium's holding in the paid up equity capital of the Concessionaire.	M/s [●] ("Lead Member") legally and beneficially holds at any time not less than 26% (twenty six percent) of the Consortium's holding in the paid up equity capital of the Concessionaire.
9	70	15.1(a) (xvi)	-----Concessionaire's undertaking in contravention -----	-----Concessionaire's undertaking other than transfer of assets in the ordinary cause of business in contravention -----
10	91	Appendix-2 / 2	2. An area of about 30,000 sqm -----	2. A water front of 160 Mtrs and an area of about 30,000 sqm -----
11	102	Appendix-4	Carry out dredging ----- (-) 16.10 m CD ultimate from the present ground level/soundings.	Carry out dredging ----- (-) 16.10 m CD in phases in future from the present ground level/soundings.
12	120	Appendix-6, B/vii	Design dredged depth: (-) 14 Mtrs.	Design dredged depth: (-) 16.10 Mtrs.
13	127	Appendix-7/ Annexure Tests / para 1	Depending on the parameters of the Project/Construction Requirements, - -----	Project/Construction Requirements, - -----
14	139	Appendix-14	3 to 5 years	4 th & 5 th years


 मुख्य अभियंता
 विशाखपट्टणम पोर्ट ट्रस्ट
 CHIEF ENGINEER
 Visakhapatnam Port Trust







IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018, India. Tel : 2499 4880, 2466 1892
Fax: 91-44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

5-9-2009

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam-530 035

Fax: 0891-2565023

Dear Sir,

Sub: Queries/Request for Additional Information: RFP for the Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis

Further to our letter dated 31-Aug-2009, please find below our request for further clarifications:

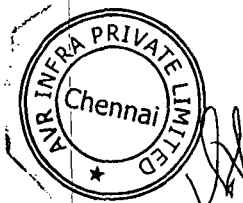
Draft Concession Agreement

S. No	Page	Clause No	Present Clause	Request for clarification / modification
34	59	12.2 (c)	Competing Facilities	<p>This clause, in practical terms does not provide the required exclusivity to the developer of EQ-10 berth, as it provides exclusivity only for biodiesel and not for other cargoes. To ensure viability of the Project, it is requested that the exclusivity clause be modified to include the following:</p> <p>(a) The exclusivity should apply for the biodiesel industry cargoes., i.e biodiesel, biodiesel related products and vegetable oils handled by the biodiesel industries</p> <p>(b) During the exclusivity period, except for those users who are already handling the permitted cargoes in other berths, all other users will be permitted to handle the liquid cargoes only at EQ-10 berth. If such users intend to handle new cargoes, then such cargoes shall be handled at EQ-10 only.</p>

We look forward to receiving the above clarification.

Yours truly,
for IMC Limited

N Kristnan
Sr.Manager-Business Development



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



ISO 9001 PORT
ISO14000 PORT
OHSAS 18001

No: IENG/EE(Projects)/EQ -10/Pt.IV/188
Dt. 3-9-2009.

To
M/s. IMC Ltd.,
10-1-30,
Waltair Uplands,
VISAKHAPATNAM - 530 003.

FAX No: 0891 2754137

Dear Sir,

Sub: Development of Eastern Quay - 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis - RFP Document - Issue of Corrigendum - 1 - Reg.

Ref: M/s. IMC Ltd., Vsp Lr Dt. 20-7-09.

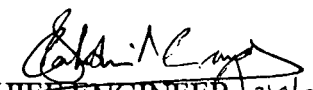
Please refer to your letter cited.

As requested in your letter under reference cited, the RFP document for the
subject project work was issued to you.

In this context, please find enclosed here with a copy of Corrigendum 1 to RFP
document of the subject project.

Encl: Copy of Corrigendum - 1

Yours faithfully,


CHIEF ENGINEER 3/9/09

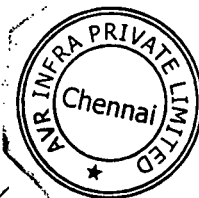
Copy to: FA&CAO/TM/DC/CME/Director (R&P) i/c for information.

Encl: Copy of Corrigendum - 1 each.

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

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

Recd on
07/9/2009





ANNEXURE - 'F'

VISAKHAPTNAM PORT TRUST
ENGINEERING DEPARTMENT

No: IENG/EE(Projects)/EQ -10
Dt. 3-9-2009.

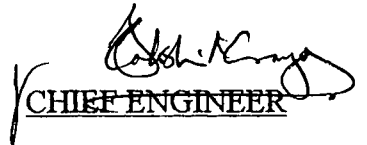
CORRIGENDUM - 1

Sub: Development of Eastern Quay -- 10 (EQ -10) berth in the Northern Arm of
Inner Harbour of Visakhapatnam Port for handling Liquid Cargo on
'DBFOT' basis -- Reg.

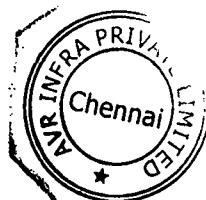
Ref: This office letter No. IENG/EE(Projects)/EQ-10/09 Dt. 20-7-2009.


In continuation to this office letter cited, it is to inform that the dates mentioned
against serial numbers 3 to 7 and 9 of the schedule at page 7 under clause 1.3 of
Introduction of RFP document are modified as indicated below:

	Event Description	Existing date	Modified date
3	Authority Response to queries latest by	01-09-2009	7-09-2009
4	Pre-Bid Meeting -- 2	14-09-2009	Deleted
5	Bid Due Date	06-10-2009	16-09-2009
6	Opening of Bids	06-10-2009	16-09-2009
7	Letter of Award (LOA)	05-11-2009	15-10-2009
9	Signing of Concession Agreement	05-12-2009	16-11-2009


CHIEF ENGINEER











IMC LIMITED

Corporate Office : 39, Kasturi Ranga Road, Alwarpet, Chennai - 600 018. India. Tel : 2499 4880, 2466 1892
Fax: 91- 44-2466 1738. E-Mail : admin@imc.net.in URL : www.imc.net.in

31 August 2009

The Chief Engineer
Visakhapatnam Port Trust
Visakhapatnam-530 035

Fax: 0891-2565023

Dear Sir,

Sub: Queries/Request for Additional Information: RFP for the Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis

With reference to the subject Project, please find enclosed our first list of clarifications and request for additional information on the RFP document.

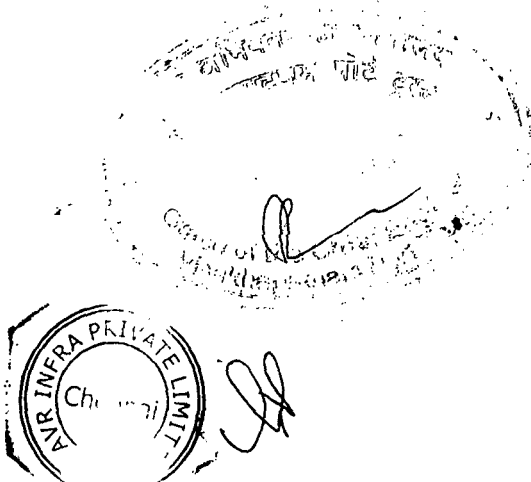
We shall submit further queries in the next 2-3 days.

We look forward to receiving the clarifications.

With Regards

Yours truly,
for IMC Limited

N Krishnan
Sr.Manager-Business Development

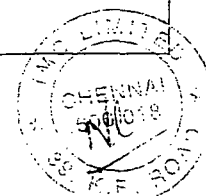


Registered Office : 232/A, Acharjya Jagdish Bose Road, Calcutta - 700 020, India.

Queries/Request for Additional Information: RFP for Development of EQ-10 Berth at Visakhapatnam Port for handling liquid cargo

RFP Document:

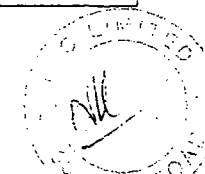
S. No	Page	Clause No	Present Clause	Request for clarification / modification
1	3	1.1.1	Capital Cost	Please clarify whether the indicated capital cost of Rs.55.38 Crores includes capital dredging.
2	3	1.1.3	Scope of Work	<p>This Project depends heavily on the expected throughput from biodiesel industries, which may not materialize for some years, due to prevailing negative market conditions. Hence, VPT should allow more number of cargoes to be handled at this berth.</p> <p>Classification of flammable products is based on flash points and subject to meeting statutory requirements, the petroleum products can be safely handled at the terminal. As the concession already permits Class B and C chemicals, in order to improve the traffic prospects, petroleum products falling under Class B and C, which are permitted at EQ-6 and EQ-7 berths, may be permitted.</p> <p>Requested to permit handling of petroleum class B and C products also at EQ-10 berth.</p>
3	3	1.1.3	Scope of Work	<p>We apprehend that there will be practical difficulties to undertake dredging for a small portion of the basin. As VPT will be dredging a good part of the basin, we request that the capital dredging in front of the EQ-10 and part of the EQ-9 area is also carried out by VPT.</p> <p>We request that the scope of work is modified to the effect that capital dredging in front of the berth is undertaken by VPT.</p>
4	4	1.1.3	Storage facilities	We request clarification whether environmental clearance for the project including storage tanks on the earmarked land has been obtained by VPT
5	7	1.3	Schedule of Bidding Process -Last Date for receiving queries	In view of the special requirements of the Project, such as taking over part of the berth from existing BOT operator, we require more time to study the RFP documents and Draft Concession Agreement and hence request that the last date for receiving queries be extended to 5-9-2009
6	23	3.3.2	Selection of Bidder: In case of tie, highest bidder shall be identified by draw of lots	We request the VPT to invite fresh Bids as "Second round of bidding" rather than using the process of drawing lots.



Draft Concession Agreement



No	Page	Clause No	Present Clause	Request for clarification / modification
7	11	1.1	Definitions Date of Commercial Operation	In practical terms, the Project may commence operations, before the Concessionaire actually receives the Completion Certificate. Hence it is requested that the Date of Commercial operations be defined as the date on which the Concessionaire receives the Completion Certificate in accordance with the provisions of this Agreement/MPT Act or the date of receipt of the first vessel at the berth, whichever is earlier. Request to suitably modify the definition as above.
8	13	1.1	Definitions Gross Revenue	Gross Revenue shall exclude any revenues from treasury activities such as interest on deposits etc Definition to be expanded to include the above.
9	14	1.1	Liquid Cargo	Under #1, we have requested the permitted products to include Class B and C petroleum products also. Definition to be modified to include Class B and C products
10			Definitions (New)	The term "Concessionaire" to be defined for the sake of clarity
11	25	3.1 (a) (xii)	Agreement/MoU with the existing BOT Operator	Since this provision is a part of condition precedents to be fulfilled by the Concessionaire, please clarify: (a) whether the EQ-9 berth BOT Operator is also bound to enter into Agreement/MoU with the selected bidder for EQ-10 berth, in accordance with the terms of this clause. (b) the procedure and timeline for the handover of the 60 meter berth length by EQ-9 BOT Operator to the selected bidder (c) that VPT would facilitate the Agreement/MoU between the two BOT Operators and how any possible delays would be avoided in concluding the Agreement/MoU
12	21	3.1 a) vii)	Conditions Precedent Financing Plan and Financial Close	Financial Close may require compliance with other conditions not covered under Article 3, it is requested that additional time of 45 days is provided to furnish the Financing Documents.





No	Page	Clause No	Present Clause	Request for clarification / modification
13	22	3.1 b) (i)	Conditions Precedent Procurement of clearances	Please clarify that the environment clearances relating to the land and waterfront, including the tankfarm, shall be obtained by the Concessioneing Authority before handing over the respective sites to the Concessionaire.
14	25	3.2	Conditions Precedent Compliance within 90 days from the Date of the Agreement	Request clarification that the Date of Agreement is the date on which the Agreement is signed by both the Concessioneing Authority and the Concessionaire. The term "Date of the Agreement" to be defined for the sake of clarity.
15	24	3.6	Conditions Precedent Liabe for Termination	It is suggested that the option of termination is available only if the Agreement is frustrated or rendered impossible to perform due to the non-fulfillment of the conditions precedent. Clause to be suitably amended.
16	26	5.1 (c)	Independent Engineer Costs and expenses	As the Independent Engineer is appointed by the Concessioneing Authority solely for the services to be rendered to the Concessioneing Authority, it is requested that the costs and expenses of the Independent Engineer be borne by the Concessioneing Authority.
17	30	6.2 (b)	Independent Engineer Time of review of design and drawings	It is requested that the time for review of design and drawings and providing comments/observations and suggested be reduced to 15 days to enable speedier implementation of the Project
18	31	6.3	Construction Phase	(i) The term "Date of Commencement of the Concession Period" is to be defined for sake of clarity (ii) The schedule of 18 months is not sufficient for construction and it is required to provide time of 24 months from the Date of Commencement of Concession Period or such date as mutually agreed and approved by the Concessioneing Authority" (iii) Please clarify that the Concessionaire shall not be held in default, if the Project has been completed in time and there is delay in obtaining the Completion Certificate from the Independent Engineer, for reasons not attributable to the Concessionaire. It is requested that an enabling provision to this effect is included in the Clause.





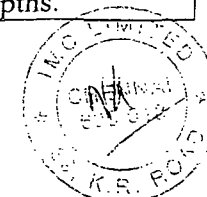
No	Page	Clause No	Present Clause	Request for clarification / modification
19	33	6.7 (e)	Issue of Completion Certificate	<p>The provisions of this clause appear to be relevant for construction contracts and not BOT Agreements. It is in the best interests of the Concessionaire to complete the Project, commission the same and start earning revenues. The case of reducing the scope of Project and Concessionaire saving any Project Cost is highly improbable and hence it is requested that this provision is reviewed and deleted or amended appropriately.</p> <p>It is also requested that provision is included for extension of the time allowed for Construction in the event of Force Majeure or Concessioning Authority Event of Default.</p>
20	36	6.8 (g)	Change of Scope	<p>As this is a BOT project, the works envisaged in the Change of Scope should be executed by the Concessionaire directly as part of the Project. It is not in the best interests of the Project to invite competitive bids for the works envisaged in Change of Scope as it could delay the Project Implementation schedule and also result in higher costs, if a new contractor is appointed only for the additional works.</p> <p>Requested that the provision of inviting competitive bids is deleted from this clause.</p>
21	37	6.9	Liquidated Damages	<p>It is possible that the Project could be completed in time, although there are some delays in achieving the set Milestone Dates. Under this scenario, there should be no Liquidated Damages, as the Concessioning Authority has not suffered any losses/damages.</p> <p>Please clarify that the Liquidated Damages shall be applicable only for delays beyond the construction time or such extended time period and not applicable for delays in completing Milestones.</p>



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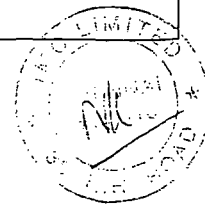


No	Page	Clause No	Present Clause	Request for clarification / modification
22	39	7.1 (a) (iv)	Repairs, Replacement or Restoration	<p>Under this provision, the concessionaire is required to, at its own cost, repair, replace or restore the Project Facilities or part thereof which may be lost, damaged or destroyed for any reason whatsoever.</p> <p>The above provision is not equitable as there are different provisions and remedies for loss/damage under different events (such as Force Majeure, Event of Default etc)</p> <p>The clause should therefore be subject to the terms of the Concession Agreement.</p> <p>It is suggested inclusion of the words "Subject to the provisions of the Concession Agreement..." shall be added at the beginning of the clause AND deletion of the terms "for any reasons whatsoever"</p>
23	42	7.1 (a) (xii)	Minimum Guaranteed Cargo	<p>This Project depends on the development of new biodiesel industries and hence traffic is expected to build up over a time. Also, there are other berths, existing and planned, to handle similar cargoes such as caustic lye. Under the circumstances, it is requested that the requirement of Minimum Guaranteed Cargo is waived off. While the Concessionaire can guarantee the minimum level of cargo handling capacity, it is practically not feasible for the Minimum Guaranteed Cargo Throughput for the berth.</p> <p>It is requested the Minimum Guaranteed Cargo stipulation is waived off.</p>
24	43	7.1 (c) (i) (d)	Maintenance of dredged depth	<p>As VPT would be dredging the entry channel, turning basin and also part of the berth area, we request VPT to carry out the capital as well as maintenance dredging alongside the berth. This will ensure that dredging is completed at one stretch and ensure speedier implementation of the Project.</p> <p>Request that the clause is modified to the effect that VPT shall be responsible for capital and maintenance dredging alongside the berth and maintaining the agreed depths.</p>

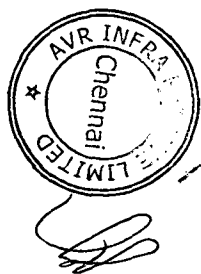




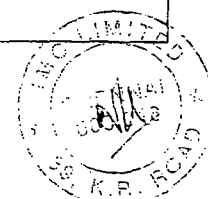
No	Page	Clause No	Present Clause	Request for clarification / modification
25	45	7.3	Liability for shortfall in performance	<p>(1) The performance standards achieved may depend on several site specific factors and cargo profiles. Hence the Concessionaire must be allowed a period of minimum one (1) year period for observation of shipments, during when the Concessionaire shall not be liable for any shortfall in performance. After the period of (1) year, the Concessionaire, shall in consultation with the Concessioneing Authority, fix the performance parameters.</p> <p>(2) As an equitable measure, the Concessioneing Authority should first issue a notice to the Concessionaire in case of a shortfall in achieving the indicative norms, giving time of 30 days to enable the Concessionaire to respond to such notice. The Concessionaire shall respond to the notice with justifications and/or a remedial, time bound action plan to overcome the shortfall in performance.</p> <p>(3) Only in cases where the performance norms are not achieved due to acts of willful negligence on the part of the Concessionaire, to be proven by an independent Expert, the Concessioneing Authority shall be entitled to levy liquidated damages for such shortfall in performance.</p> <p>It is requested that the above suggestions be considered and the clause modified suitably</p>
26	47	8.2	Collection of Cesses and Charges	Please clarify that the Concessionaire shall not be responsible if users do not pay the cesses and charges and also not responsible for disputes that the users may have in respect of such cesses and charges.
27	49	9.4	Certified Accounts	<p>This clause does not provide a mechanism to ensure that the Gross Revenue that may be reported by the Additional Auditor is the correct Gross Revenue as per the terms of the Concession Agreement.</p> <p>We suggest that:</p> <p>(1) In the event the Additional Auditor reports higher Gross Revenue, the Concessionaire must be given the opportunity and time of minimum 30 days to study the Additional Auditor Report and respond or provide explanations</p> <p>(2) If the difference in findings of the Statutory Auditor and Additional Auditor leads to a dispute that cannot be resolved, then the option of Dispute Resolution is to be provided.</p> <p>Request that the above clause is modified.</p>



4



No	Page	Clause No	Present Clause	Request for clarification / modification
28	52	11.2 (a)	Shareholding	<p>The requirement that the Applicants/Consortium Members should hold 26 percent of the paid up equity capital for the entire concession period may adversely impact the long term strategies of investors.</p> <p>It is suggested that the requirement of Applicants/Consortium holding 26 percent of the paid up equity capital is limited to 10 years from the Date of Commercial Operations.</p> <p>The clause is to be modified as above.</p>
29	60	12.1 (g) (ii)	Condition Survey	<p>It is in the best interests of the Concessionaire to maintain the Project Facilities in good condition. The Concessionaire would have adequate insurance cover for the Assets. Hence the requirement of bank guarantee of Rs.27.96 million is not warranted.</p> <p>Request that the above condition of bank guarantee is waived off.</p>
30	62	13.2 (b)	Change in Law - The Concessionaire's Remedy	<p>Please clarify the basis as to fixing the limit of increase in costs due to Change in Law to Rs.27.69 crores in an accounting year. In the early stage of the concession period, even a smaller level of increase in costs due to Change in Law could adversely affect the financial position of the Concessionaire.</p> <p>We therefore request that the limit of Rs.27.69 million may be reduced to Rs.10 million and the clause modified accordingly</p>
31	69	15.1 (a) (iii)	The concessionaire event of default -	<p>This clause should provide for any extended time beyond 180 days that has been approved by the Concessioneing Authority</p> <p>Clause to be modified</p>
32	111	Appendix 4 ii)	Project Requirements Storage Facilities	<p>Requirement of 6 mild steel tanks of 14 m dia and 20m height is indicated. Based on the cargo handling requirements of users, the total capacity of the tankage and the size of individual tanks may vary.</p> <p>In view of above, please confirm that the Concessionaire has the flexibility to decide on the size and capacity of tanks based on user requirements</p>



9/9



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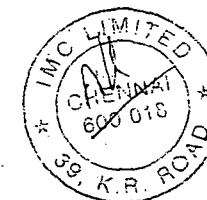
33. Clarifications on the Feasibility Report:

(1) We request VPT to provide the following:

- a) Copy of existing soil investigation reports
- b) As built drawings and technical data such as bore log data and copy of the report on pile load test for the EQ-9 berth
- c) Copy of Bathymetry, sounding charts for the water front at EQ-10 area
- d) Copy of details on Mooring studies conducted if any.

(2) Kindly clarify the Minimum size of vessel to be considered for the berthing?.

(3) Kindly clarify whether the berth width can be modified to have space for housing the handling equipments, hose tower etc.



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पॉस्ट
SPEED POST

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

ISO 9001 PORT
ISO 14001 PORT
OHSAS 18001 PORT



No. IENG/EE(Proj)/EQ-10/Pt IV/ 166
Dt. 20 -08 - 2009

✓ To
M/s. I.M.C Limited.
10-1-30, Waltair uplands,
VISAKHAPATNAM-530 003.

Fax No.-91-891-2754137

Dear Sir,

Sub:- Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Excluding POL Products)DBFOT Basis RFP -Reg

It is to inform that a Pre-Bid meeting on the above subject project in connection with RFP is to be held on 25-08-2009 at 11.00 A.M. in the chambers of under signed 3rd floor of Administrative office Building / VPT.

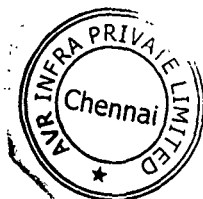
Therefore, you are requested to make it convenient to attend the said meeting.

Yours faithfully,


CHIEF ENGINEER 20/8/09

Recd on
22/8/2009
✓

Grams: PORT TRUST, Fax : 0891 - 2565023, Phone: 0891 -2565289,
E-mail: info@vizagport.com, Web: www.vizagport.com. Visakhapatnam - 530 035. (Andhra Pradesh)







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



ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001

No. IENG/EE(Proj)/EQ-10/Pt IV/
Dt. 24-07-2009

To,
M/s. I.M.C Limited.
10-1-30, Waltair uplands,
VISAKHAPATNAM-530 003.

Fax No.-91-891-2754137

Dear Sir,

Sub:- Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on DBFOT basis (The Project)

Pursuant to your application in response to our Request for Qualification document (the "RFQ") , you were short-listed as a Bidder, in accordance with the provisions of the RFQ for the aforesaid Project. We acknowledge your remittance of Rs. 10,000 for procuring the Request for Proposal document (the "RFP") The RFP is enclosed.

You are requested to participate in the Bid Stage with the objective of submitting your financial proposal (the "Bid") for the aforesaid Project in accordance with the RFP.

Please note that the Visakhapatnam Port Trust reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever.

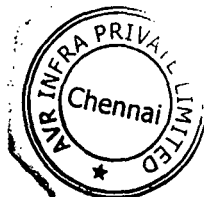
Thanking. You,

Encl: RFP & ADCA

Yours faithfully


24/7/09
CHIEF ENGINEER

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



SPEED POST

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

ISO 9001 PORT
ISO 14000 PORT
OHSAS 18001

No. IENG/EE(Proj)/EQ-10/09
Dt. 20-07-2009

1). To,
M/s. I.M.C Limited.
10-1-30, Waltair uplands,
VISAKHAPATNAM-530 003.

Fax No. +91-891-2764137

2). To,
M/s. Navayuga Engineering Company Ltd.,
1259, Lakshmi Towers,
Road No. 36, JUBILEEHILLS,
HYDERABAD- 500 033.

FAX NO. 040-23557176/90

3). To,
SICAL Logistics Ltd.,
Formerly: South India Corporation (Agencies) Ltd,
No. 73, Armenian Street,
CHENNAI-600 001.

FAX NO. +91-44-25224202

Dear Sir,

Sub:- Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of
Visakhapatnam Port for handling liquid cargo on DBFOT BASIS (The Project)

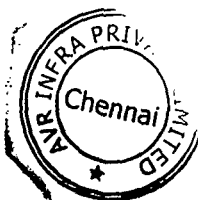
It is to inform that you have been short listed as a Bidder in accordance with the provisions
of the RFQ for the subject project.

Hence you are requested to remit an amount of Rs. 10,000/- by way of D.D drawn in favour
of FA&CAO /VPT towards issue of RFP documents.

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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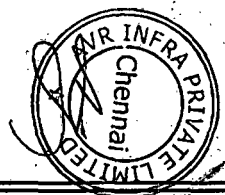
DEVELOPMENT OF EQ-10 BERTH

IN THE NORTHERN ARM OF INNER HARBOUR OF
VISAKHAPATNAM PORT
FOR HANDLING LIQUID CARGO ON "DBFOT" BASIS

REQUEST FOR PROPOSAL (RFP)

&

**TECHNO ECONOMIC FEASIBILITY
REPORT (TEFR)**

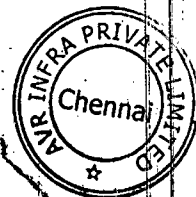


VISAKHAPATNAM PORT TRUST
VISAKHAPATNAM - 530 035
ANDHRA PRADESH, INDIA

Request For Proposal

for

DEVELOPMENT OF EASTERN QUAY (EQ-10) BERTH IN THE NORTHERN ARM
OF INNER HARBOUR OF VISAKHAPATNAM PORT FOR HANDLING LIQUID
CARGO ON 'DBFOT' BASIS



4

VISAKHAPATNAM PORT TRUST
VISAKHAPATNAM – 530 035
ANDHRA PRADESH, INDIA

Request For Proposal

for

DEVELOPMENT OF EASTERN QUAY (EQ-10) BERTH IN THE NORTHERN ARM
OF INNER HARBOUR OF VISAKHAPATNAM PORT FOR HANDLING LIQUID
CARGO ON 'DBFOT' BASIS



4

VISAKHAPATNAM PORT TRUST
VISAKHAPATNAM – 530 035
ANDHRA PRADESH, INDIA

LETTER OF INVITATION

Dated *****

To

Sub: Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo on DBFOT basis (The Project)

Dear Sir,

Pursuant to your application in response to our Request for Qualification document (the "RFQ"), you were short-listed as a Bidder, in accordance with the provisions of the RFQ for the aforesaid Project. We acknowledge your remittance of Rs. 10,000 for procuring the Request for Proposal document (the "RFP"). The RFP is enclosed.

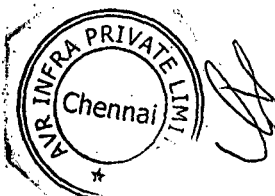
You are requested to participate in the Bid Stage with the objective of submitting your financial proposal (the "Bid") for the aforesaid Project in accordance with the RFP.

Please note that the Visakhapatnam Port Trust reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever.

Thanking you,

Yours faithfully,

CHIEF ENGINEER

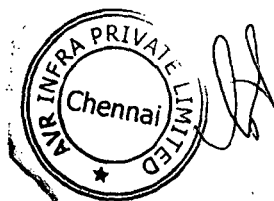


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GLOSSARY

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

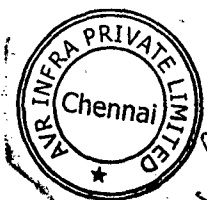
The words and expressions beginning with capital letters and defined in this document shall, unless the context otherwise requires, have the meaning ascribed thereto herein. The words and expressions beginning with capital letters and not defined herein, but defined in the RFQ, shall, unless the context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



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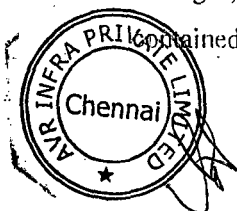
DISCLAIMER

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

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

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

The Authority, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant or Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, completeness



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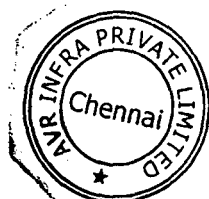
or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way in this Bid Stage.

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

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

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

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



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VISAKHAPATNAM PORT TRUST

1. INTRODUCTION

1.1 Background



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1.1.1 The Visakhapatnam Port Trust (the "Authority"), one of the 12 Major Ports in India, is situated on the East coast of India at a latitude of 17° 41' N and longitude of 83° 18' E. The Authority plays a vital role in fostering the country's foreign trade and economic development and is a catalyst for a rapid industrialization of the hinterland by providing marine infrastructure facility to cater to the growing needs of the trade.

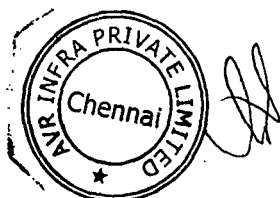
The Visakhapatnam port is well connected with other parts of the country by rail and road network. The port presently has 18 berths including two berths built by Licensee M/s Vizag Seaport Ltd. in Inner Harbour to cater to ships up to 45,000 DWT and 6 berths plus one mooring facility in the Outer Harbour to cater to ships upto 150,000 DWT.

The cargo profile of the port comprises Iron Ore, Manganese, Thermal Coal, Coking Coal, Lime Stone, Marine Products, Fertilizers, Fertilizers Raw Materials, Food Grains, Granite, Timber Logs, Crude Oil, Petroleum Products, LPG, Phosphoric Acid, Liquid Ammonia, Caustic Soda and various other bulk, break bulk and containerized cargoes.

The Authority has a fleet of cargo handling equipment to serve the trade. The Authority owns a railway network of about 200 km of broad gauge track connected to two major zonal railways viz. East coast Railway and South Central Railway. The Visakhapatnam port has emerged as the leading port by handling largest volume of cargo amongst the Major Ports of the country since 2000-01 for a period of seven years. During 2008-09, the total traffic handled by the port was 63.91 million tonnes.

Visakhapatnam port has been accredited with Quality, Environmental and Occupational Health and Safety Management systems ISO – 9001, ISO -- 14001 and OHSAS – 18001. This port is also ISPS compliant.

To cater to growing traffic, the Authority has decided to undertake development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam port for handling liquid cargo (the "Project") through public private partnership ("PPP") on Design, Build, Finance, Operate and Transfer (the "DBFOT") basis and has decided to carry out the bidding process for selection of the bidder to whom the Project may be awarded. Brief particulars of the Project are as follows:



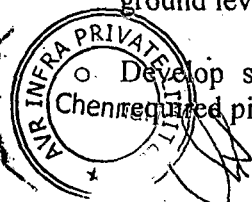
I. No.	Name of the Project	Capacity	Estimated Project Cost
1	Development of Eastern Quay (EQ-10) berth in the Northern Arm of inner harbour of Visakhapatnam port for handling liquid cargo	1.84 million tonnes per annum	Rs. 55,38,00,000 (Rupees Fifty Five Crores and Thirty Eight Lakhs including the cost of construction of the berth, reception, storage and dispatch facilities)

1.1.2 The Selected Bidder, who is either a company incorporated under the Companies Act, 1956 or undertakes to incorporate itself as such prior to execution of the concession agreement (the "Concessionaire"), shall be responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of a long term concession agreement (the "Concession Agreement") to be entered into between the Concessionaire and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant hereto.

1.1.3 The scope of work will broadly include planning, engineering, designing, financing, construction, development, operation and maintenance of EQ-10 berth for handling Class B&C Chemicals ~~such as~~ sulphuric acid phosphoric acid, caustic soda lye, edible oils, bio diesel, molasses, etc and the operation & maintenance thereof. Petroleum products will, however, not be permitted to be handled at this facility. Based on the traffic demand, it is expected that the proposed facility will enable handling of about 1.1 million tonnes of the above liquid cargo per annum to start-with and about 1.85 million tonnes per annum ultimately, in phases. The major components of work are indicated below:

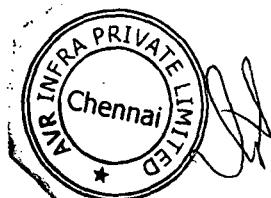
- o Plan, design, and construct 100m length of berth and 50m length of return wall to cater to the berthing requirement of 12.5m draft vessels. A berth length of 60m constructed as shore protection to EQ 9 berth will become part of EQ 10 berth for operations to accommodate vessels up to 120m LOA;
- o Carry out dredging in front of the berth including the area in front of the existing 60m length of EQ-9 that would become part of EQ-10 berth, including the approaches as indicated in the drawing given in the Feasibility Report, to (-) 10.40m initially and (-)14.00 mts ultimately from the present ground level / soundings;

o Develop suitable reception facilities for liquid bulk cargo at the berth, ~~Chen~~ required pipelines from berth and storage area;



- Set up suitable storage and dispatch facilities on about 3 hectares of land, (at a distance of 0.5 km from the proposed berth) to be made available on long-term license for the concession period of 30 years;
- Develop back up area, water supply, area illumination, fire fighting, rail and road facilities required including development of the land;
- Develop cargo-handling facilities for the nature and volume of traffic indicated above as well as all required marine terminal facilities utilities and services;
- Compliance with environmental laws during implementation i.e. construction, operation and maintenance;
- Planning, design, construction, 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. Safety precautions, as per statutory requirements and IMO guidelines shall also be complied with. The Concessionaire shall ensure compliance to Quality, Environmental, Occupational Health and Safety and ISPS Codes. A copy of the Feasibility Report has been appended and marked as Annexure for additional information to the Bidders.
- The planning, designing and engineering of the Project by the Bidder shall conform to the technical specifications / preliminary design criteria and standards pre-determined by the Authority and as set out in the Concession Agreement to be entered into between the Concessionaire and the Authority.
- Operation and maintenance of the Project.

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



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1.1.5 The Concession Agreement sets forth the detailed terms and conditions for grant of the concession to the Concessionaire, including the scope of the Concessionaire's services and obligations (the "Concession").

1.1.6 The statements and explanations contained in this RFP are intended to provide a proper understanding to the Bidders about the subject matter of this RFP and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the Concessionaire set forth in the Concession Agreement or the Authority's rights to amend, alter, change, supplement or clarify the scope of work, the concession to be awarded pursuant to this RFP or the terms thereof or herein contained. Consequently, any omissions, conflicts or contradictions in the Bidding Documents including this RFP are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by Authority.

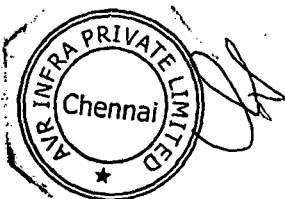
1.1.7 The Authority shall receive Bids pursuant to this RFP in accordance with the terms set forth in this RFP and other documents to be provided by the Authority pursuant to this RFP (collectively the "Bidding Documents"), as modified, altered, amended and clarified from time to time by the Authority, and all Bids shall be prepared and submitted in accordance with such terms.

1.2 Brief description of Bidding Process

1.2.1 The Authority has adopted a two-stage process (collectively referred to as the "Bidding Process") for selection of the Bidder for award of the Project. The first stage (the "Qualification Stage") of the process involved qualification of interested parties / Consortia in accordance with the provisions of RFQ. At the end of this stage, the Authority short-listed 3 (Three) suitable pre-qualified Applicants who were eligible for participation in the second stage of the Bidding Process (the "Bid Stage") comprising Request for Proposals.

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

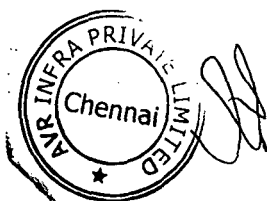
1.2.2 In the Bid Stage, the aforesaid short-listed Applicants, including their successors, (the "Bidders") are being called upon to submit their Bids in accordance with the Bidding



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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").

- 1.2.3 The Bidding Documents include the draft Concession Agreement for the Project a copy of which is appended and marked as Annexure []. A copy of the Feasibility Report prepared by the Authority/ consultants of the Authority (the "Feasibility Report") has been appended and marked as Annexure []. Subject to the provisions of Clause 2.1.3, the aforesaid documents and any addenda issued subsequent to this RFP Document, but before the Bid Due Date, will be deemed to form part of the Bidding Documents.
- 1.2.4 A Bidder is required to deposit, along with its Bid, a bid security equivalent to about 1% (one per cent) of the Estimated Project Cost (the "Bid Security"), refundable not later than 60 (sixty) days from the Bid Due Date except in the case of the highest Bidder. The Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee acceptable to the Authority, and in such event, the validity period of the demand draft or bank guarantee, as the case may be, shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. In respect of demand draft such claim period is not applicable. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
- 1.2.5 Generally, the Selected Bidder shall be the highest Bidder. The remaining Bidders shall be kept in reserve and may, in accordance with the process specified in Clause 3 of this RFP, be invited to match the Bid submitted by the highest Bidder in case such highest Bidder withdraws or is not selected for any reason.
In the event that none of the other Bidders match the Bid of the highest Bidder, the Authority may, in its discretion, invite fresh Bids from all Bidders or annul the Bidding Process, as the case may be.
- 1.2.6 During the Bid Stage, Bidders are invited to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the Concession including implementation of the Project.
- 1.2.7 Bids are invited for the Project on the basis of the highest Gross Revenue Share quoted as a percentage by a Bidder ("the Gross Revenue Share") for implementing the Project.



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The Concession Period is pre-determined, as indicated in the Concession Agreement. The Gross Revenue Share shall constitute the sole criteria for evaluation of Bids. Subject to Clause 2.16, the Project will be awarded to the Bidder quoting the highest Gross Revenue Share.

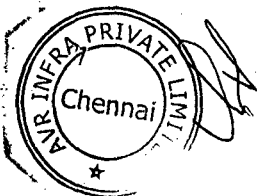
- 1.2.8 The Concessionaire will be entitled to levy and charge a pre-determined user fee from users of the Project. Such charges are indicated in the draft Concession Agreement.
- 1.2.9 Further and other details of the process to be followed at the Bid Stage and the terms thereof are spelt out in this RFP.
- 1.2.10 Any queries or request for additional information concerning this RFP shall be submitted in writing or by fax and e-mail to the officer designated in Clause 2.11.5 below. The envelopes/ communication shall clearly bear the following identification/ title:

"Queries/Request for Additional Information: RFP for the Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port on DBFOT basis

1.3 Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

	Event Description	Date
1.	Last Date for Receiving Queries	19-08-2009
2.	Pre-Bid Meeting-1	25-8-2009
3.	Authority Response to queries latest by	01-09-2009
4.	Pre-Bid Meeting-2	14-09-2009
5.	Bid Due Date	06-10-2009
6.	Opening of Bids	06-10-2009
7.	Letter of Award (LOA)	05-11-2009
8.	Validity of Bids	02-02-2010
9.	Signing of Concession Agreement	05-12-2009

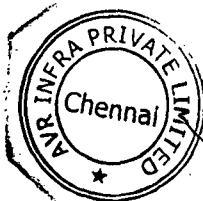


2. INSTRUCTIONS TO BIDDERS

A. GENERAL

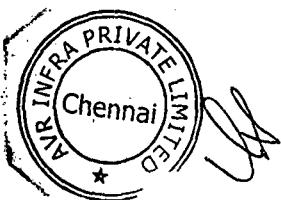
2.1. General terms of Bidding

- 2.1.1 A Bidder is eligible to submit only one Bid for the Project. A Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another bid either individually or as a member of any Consortium, as the case may be.
- 2.1.2 Unless the context otherwise requires, the terms not defined in this RFP, but defined in the Request for Qualification document for the Project (the "RFQ") shall have the meaning assigned thereto in the RFQ.
- 2.1.3 The Feasibility Report for the Project is being provided only as a preliminary reference document by way of assistance to the Bidders who are expected to carry out their own surveys, investigations and other detailed examination before submitting their Bids. Nothing contained in the Feasibility Report shall be binding on the Authority nor confer any right on the Bidders, and the Authority shall have no liability whatsoever in relation to or arising out of any or all contents of the Feasibility Report.
- 2.1.4 Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft Concession Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under the Concession Agreement.
- 2.1.5 The Bid should be furnished in the format at Appendix - I, clearly indicating the bid amount in both figures and words, in Indian Rupees, and signed by the Bidder's authorised signatory. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.
- 2.1.6 The Bid shall consist of percentage Gross Revenue Share to be quoted by the Bidder. The Gross Revenue Share shall be payable by the Concessionaire to the Authority, as per the terms and conditions of this RFP and the provisions of the Concession Agreement.
- 2.1.7 The Bidder shall deposit a Bid Security equivalent to 1% (one per cent) of the Estimated Project Cost, i.e. Rs. 5.538 (Rupees Five decimal Five Three Eight only) million in accordance with the provisions of this RFP. The Bidder has the option to provide the Bid Security either as a Demand Draft or in the form of a Bank Guarantee, acceptable to the Authority, as per format at Appendix - II.



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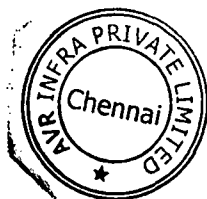
- 2.1.8 The validity period of the Bank Guarantee or Demand Draft, as the case may be, shall not be less than 180 (one hundred eighty) days from the Bid Due Date, and may be extended by the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security. The Bid Security shall be refundable not later than 60 (sixty) days from the Bid Due Date except in the case of the highest Bidder.
- 2.1.9 The Bidder should submit a Power of Attorney as per the format at Appendix – III, authorising the signatory of the Bid to commit the Bidder.
- 2.1.10 In case the Bidder is a Consortium, the Members thereof should furnish a Power of Attorney in favour of the Lead Member in the format at Appendix – IV.
- 2.1.11 Any condition or qualification or any other stipulation contained in the Bid shall render the Bid liable to rejection as a non-responsive Bid.
- 2.1.12 The Bid and all communications in relation to or concerning the Bidding Documents and the Bid shall be in English language.
- 2.1.13 The Bidding Documents including this RFP and all attached documents are and shall remain the property of the Authority and are transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The Authority will not return any Bid or any information provided along therewith.
- 2.1.14 A Bidder shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, the Authority shall forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine pre-estimated compensation and damages payable to the Authority for, inter alia, the time, cost and effort of the Authority, including consideration of such Bidder’s proposal, without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise. Without limiting the generality of the above, a Bidder shall be considered to have a Conflict of Interest that affects the Bidding Process, if:
- (i) such Bidder (or any constituent thereof) and any other Bidder (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this qualification shall not apply in cases where the direct or



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indirect shareholding in a Bidder or a constituent thereof in the other Bidder(s) (or any of its constituents) is less than 1% of its paid up and subscribed capital; or

- (ii) a constituent of such Bidder is also a constituent of another Bidder; or
 - (iii) such Bidder receives or has received any direct or indirect subsidy from any other Bidder, or has provided any such subsidy to any other Bidder; or
 - (iv) such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
 - (v) such Bidder has a relationship with another Bidder, directly or through common third parties, that puts them in a position to have access to each others' information about, or to influence the Bid of either or each of the other Bidder; or
 - (vi) such Bidder has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.
- 2.1.15 A Bidder shall be liable for disqualification and forfeiture of Bid Security if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Bidder for a period of one month after 'Financial Close' in any manner for matters related to or incidental to such Project during the Bidding Process or subsequent to the (i) issue of the LOA or (ii) execution of the Concession Agreement. In the event any such adviser is engaged by the Selected Bidder or Concessionaire, as the case may be, after issue of the LOA or execution of the Concession Agreement, then notwithstanding anything to the contrary contained herein or in the LOA or the Concession Agreement and without prejudice to any other right or remedy of the Authority, including the forfeiture and appropriation of the Bid Security or Performance Security, as the case may be, which the Authority may have there-under or otherwise, the LOA or the Concession Agreement, as the case may be, shall be liable to be terminated without the Authority being liable in any manner whatsoever to the Selected Bidder or Concessionaire for the same.
- 2.1.16 This RFP is not transferable.
- 2.1.17 Any award of Concession pursuant to this RFP shall be subject to the terms of Bidding Documents.
- 2.1.18 Other Bid conditions shall include:
- (a) The Bidder claiming to have the O&M experience specified in Clause 2.2.3 of the RFQ shall provide necessary documents in support of the same.
 - (b) The Bidder, in case it does not have the O&M experience specified in Clause 2.2.3 of the RFQ, by submitting its Bid, shall be deemed to acknowledge and agree that for a



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period of at least 5 (five) years from the date of commercial operation of the Project, it shall enter into an operations & maintenance (O&M) agreement with an entity having the specified experience, failing which the Concession Agreement shall be liable to termination.

2.2 Change in composition of the Consortium

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

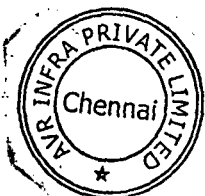
- (a) the Lead Member continues to be the Lead Member of the Consortium;
- (b) the substitute is at least equal, in terms of Technical Capacity and Financial Capacity, to the Consortium Member who is sought to be substituted and the modified Consortium shall continue to meet the pre-qualification and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

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

2.2.3 The modified/ reconstituted Consortium shall be required to submit a revised Jt. Bidding Agreement before the Bid Due Date.

2.3 Change in Ownership

2.3.1 By submitting the Bid, the Bidder shall be deemed to have acknowledged that it was pre-qualified and short-listed on the basis of Technical Capacity and Financial Capacity of those of its Consortium Members who will own at least 26% each of the equity of the Concessionaire. The Bidder further acknowledges and undertakes that each of such Consortium Members shall continue to hold at least 26% of the equity of the Concessionaire until the Commercial Operation Date of the Project is achieved under and in accordance with the provisions of the Concession Agreement. The Bidder further acknowledges and agrees that the aforesaid obligation shall be the minimum, and shall be in addition to such other obligations as may be contained in the Concession Agreement, and a breach hereof shall, notwithstanding anything to the contrary contained in the Concession Agreement, be deemed to be a breach of the Concession Agreement and dealt



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with as such there-under. For the avoidance of doubt, the provisions of this Clause 2.3.1 shall apply only when the Bidder is a Consortium.

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

2.4 Cost of Bidding

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

2.5 Site visit and verification of information

- 2.5.1 Bidders are encouraged to submit their respective Bids after visiting the Project site and ascertaining for themselves the site conditions, traffic, location, surroundings, climate, availability of power, water and other utilities for construction, access to site, handling and storage of materials, weather data, applicable laws and regulations, and any other matter considered relevant by them.

- 2.5.2 It shall be deemed that by submitting a Bid, the Bidder has:

- (a) made a complete and careful examination of the Bidding Documents;
- (b) received all relevant information requested from the Authority;



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

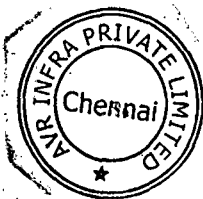
2.5.3 The Authority shall not be liable for any omission, mistake or error on the part of the Bidder in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to RFP, RFQ, the Bidding Documents or the Bidding Process, including any error or mistake therein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

2.6 Right to accept and to reject any or all Bids

2.6.1 Notwithstanding anything contained in this RFP, the Authority reserves the right to accept or reject any Bid and to annul the Bidding Process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor.

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

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



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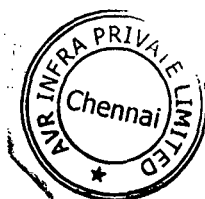
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Such misrepresentation / improper response shall lead to the disqualification of the Bidder. If the Bidder is a Consortium, then the entire Consortium shall be disqualified / rejected. If such disqualification / rejection occurs after the Bids have been opened and the highest Bidder gets disqualified / rejected, then the Authority reserves the right to:

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

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

2.6.4 The Authority reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFQ, the RFP or the Bidding Documents. Failure of the Authority to undertake such verification shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Authority thereunder.



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B. DOCUMENTS

2.7 Contents of the RFP

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

Invitation for Bids

- Section 1. Introduction
- Section 2. Instructions to Bidders
- Section 3. Evaluation of Bids
- Section 4. Fraud and Corrupt Practices
- Section 5. Pre-Bid Conference
- Section 6. Miscellaneous

Appendices

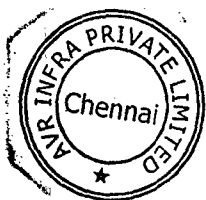
- I. Letter comprising the Bid
 - II. Bank Guarantee for Bid Security
 - III. Power of Attorney for signing of Bid
 - IV. Power of Attorney for Lead Member of Consortium
 - V. Guidelines of the Department of Disinvestment
- Annexures:
- 1. Draft Concession Agreement
 - 2. Feasibility Report

2.7.2 The draft Concession Agreement provided by the Authority and annexed to this RFP shall be deemed to be a part of the Bid Documents

2.8 Clarifications

2.8.1 Bidders requiring any clarification on the RFP may notify the Authority in writing or by fax and e-mail in accordance with Clause 1.2.10. They should send in their queries before the date mentioned in the Schedule of Bidding Process specified in Clause 1.3. The Authority shall endeavour to respond to the queries within the period specified therein, but not later than 15 (fifteen) days prior to the Bid Due Date. The responses will be sent by fax or e-mail. The Authority will forward all the queries and its responses thereto, to all Bidders without identifying the source of queries.

2.8.2 The Authority shall endeavour to respond to the questions raised or clarifications sought by the Bidders. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be



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taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.

- 2.8.3 The Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by the Authority shall be deemed to be part of the Bidding Documents. Verbal clarifications and information given by Authority or its employees or representatives shall not in any way or manner be binding on the Authority.

2.9 Amendment of RFP

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

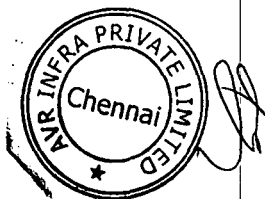
C. PREPARATION AND SUBMISSION OF BIDS

2.10 Format and Signing of Bid

- 2.10.1 The Bidder shall provide all the information sought under this RFP. The Authority will evaluate only those Bids that are received in the required formats and complete in all respects.
- 2.10.2 The Bid shall be typed or written in indelible ink and signed by the authorised signatory of the Bidder who shall also initial each page, in blue ink. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialled by the person(s) signing the Bid.

2.11 Sealing and Marking of Bids

- 2.11.1 The Bidder shall submit the Bid in the format specified at Appendix-I, and seal it in an envelope and mark the envelope as "BID".



2.11.2 The documents accompanying the Bid shall be placed in a separate envelope and marked as "Enclosures of the Bid". The documents shall include:

- a) Bid Security in the prescribed format (Appendix – II);
- b) Power of Attorney for signing of Bid in the prescribed format (Appendix – III);
- c) If applicable, the Power of Attorney for Lead Member of Consortium in the prescribed format (Appendix – IV); and
- d) A copy of the Concession Agreement with each page initialled by the person signing the Bid in pursuance of the Power of Attorney referred to in Clause (b) hereinabove.

2.11.3 A true copy of the documents accompanying the Bid, as specified in Clause 2.11.2 above, shall be placed in hard binding and the pages shall be numbered serially. Each page thereof shall be initialled in blue ink by the authorised signatory. This copy of the documents shall be placed in a separate envelope and marked "Copy of Documents".

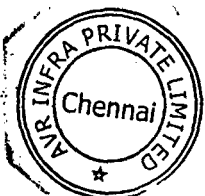
2.11.4 The three envelopes specified in Clauses 2.11.1, 2.11.2 and 2.11.3 shall be placed in an outer envelope, which shall be sealed. Each of the four envelopes shall clearly bear the following identification:

"Bid for the Development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Project on DBFOT basis and shall clearly indicate the name and address of the Bidder. In addition, the Bid Due Date should be indicated on the right hand top corner of each of the envelopes.

2.11.5 Each of the envelopes shall be addressed to:

ATTN. OF: Mr.K.Ramachandra Rao
Designation: Chief Engineer,
Address:
Visakhapatnam Port Trust,
Visakhapatnam-530 035,
Andhra Pradesh, India.

Telephone: +91-891-2565289
Email: info@vizagport.com
Fax No. +91-891-2565023



2.11.6 If the envelopes are not sealed and marked as instructed above, the Authority assumes no responsibility for the misplacement or premature opening of the contents of the Bid submitted.

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

2.12 Bid Due Date

2.12.1 Bids should be submitted before 1400 hours IST on the Bid Due Date at the address provided in Clause 2.11.5 in the manner and form as detailed in this RFP. A receipt thereof should be obtained from the person specified at Clause 2.11.5.

2.12.2 The Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.9 uniformly for all Bidders.

2.13 Late Bids

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

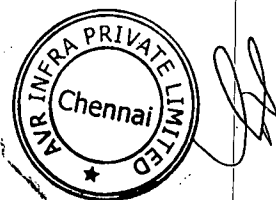
2.14 Contents of the Bid

2.14.1 The Bid shall be furnished in the format at Appendix – I and shall consist of highest Gross Revenue Share to be quoted by the Bidder. The Bidder shall specify (in percentage) the highest Gross Revenue Share offered by him to undertake the Project in accordance with this RFP and the provisions of the Concession Agreement.

2.14.2 The Project will be awarded to the Bidder quoting the highest Gross Revenue Share.

2.14.3 The opening of Bids and acceptance thereof shall be substantially in accordance with this RFP.

2.14.4 The proposed Concession Agreement shall be deemed to be part of the Bid.



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2.15 Modifications/ Substitution/ Withdrawal of Bids

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

2.16 Rejection of Bids

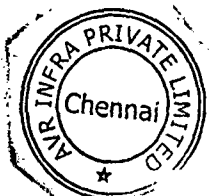
- 2.16.1 The Authority reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever. It is not obligatory for the Authority to accept any Bid or to give any reasons for their decision.
- 2.16.2 The Authority reserves the right not to proceed with the Bidding Process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

2.17 Validity of Bids

The Bids shall be valid for a period of not less than 120 (one hundred and twenty) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and the Authority.

2.18 Confidentiality

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



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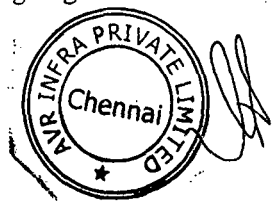
2.19 Correspondence with the Bidder

The Authority shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

D. BID SECURITY

2.20 Bid Security

- 2.20.1 The Bidder shall furnish as part of its Bid, a certified true copy (signed by a Director) of the Bid Security referred to in Clauses 2.1.7 and 2.1.8 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 (one hundred eighty) days from the Bid Due Date, as may be extended by the Bidder from time to time. The Bank Guarantee that is required to be submitted by the Bidder shall be sent in original to the Authority directly by the issuing bank by 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.
- 2.20.2 Bid Security can also be in the form of a demand draft issued by a Scheduled Bank in India, drawn in favour of the Authority and payable at Visakhapatnam (the “**Demand Draft**”). The Authority shall not be liable to pay any interest on the Bid Security deposit so made and the same shall be interest free.
- 2.20.3 Any Bid not accompanied by the Bid Security shall be rejected by the Authority as non-responsive.
- 2.20.4 Save as provided in Clauses 1.2.4 and 1.2.5 above, the Bid Security of unsuccessful Bidders will be returned by the Authority, without any interest, as promptly as possible on acceptance of the Bid of the Selected Bidder or when the Bidding process is cancelled by the Authority, but not later than 60 days from the Bid due date. Where Bid Security has been paid by deposit, the refund thereof shall be in the form of an account payee demand draft in favour of the unsuccessful Bidder(s). Bidders may by specific instructions in writing to the Authority give the name and address of the person in whose favour the said demand draft shall be drawn by the Authority for refund, failing which it shall be drawn in the name of the Bidder and shall be mailed to the address given in the Bid.
- 2.20.5 The Selected Bidder's Bid Security will be returned, without any interest, upon the Bidder signing the Concession Agreement and furnishing the Performance Security in

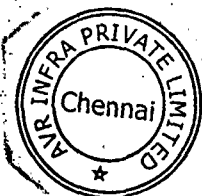


accordance with the provisions thereof. The Authority may, at the Selected Bidder's option, adjust the amount of Bid Security in the amount of Performance Security to be provided by him in accordance with the provisions of the Concession Agreement.

2.20.6 The Authority shall be entitled to forfeit and appropriate the Bid Security as mutually agreed genuine pre-estimated compensation / damages to the Authority in any of the events specified in Clause 2.20.7 herein below. The Bidder, by submitting its Bid pursuant to this RFP, shall be deemed to have acknowledged and confirmed that the Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the Bid validity period. No relaxation of any kind on Bid Security shall be given to any Bidder.

2.20.7 The Bid Security shall be forfeited and appropriated by the Authority as mutually agreed genuine pre-estimated compensation and damages payable to the Authority for, inter alia, time, cost and effort of the Authority without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise, under the following conditions:

- a) If a Bidder submits a non-responsive Bid;
- b) If a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Clause 4 of this RFP;
- c) If a Bidder withdraws its Bid during the period of Bid validity as specified in this RFP and as extended by the Bidder from time to time;
- d) In the case of Selected Bidder, if it fails within the specified time limit -
 - i) to sign the Concession Agreement and/or
 - ii) to furnish the Performance Security within the period prescribed therefor in the Concession Agreement; or
- e) In case the Selected Bidder, having signed the Concession Agreement, commits any breach thereof prior to furnishing the Performance Security.



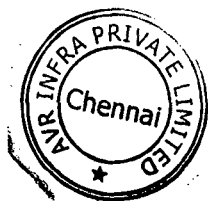
3. EVALUATION OF BIDS

3.1 Opening and Evaluation of Bids

- 3.1.1 The Authority shall open the Bids at 1430 hours on the Bid Due Date, at the place specified in Clause 2.11.5 and in the presence of the Bidders who choose to attend.
- 3.1.2 The Authority will subsequently examine and evaluate the Bids in accordance with the provisions set out in this Section 3.
- 3.1.3 To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.

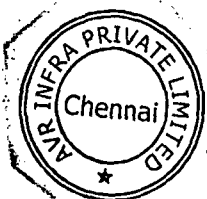
3.2 Tests of responsiveness

- 3.2.1 Prior to evaluation of Bids, the Authority shall determine whether each Bid is responsive to the requirements of the RFP. A Bid shall be considered responsive only if:
- (a) it is received as per the format at Appendix – I;
 - (b) it is received by the Bid Due Date including any extension thereof pursuant to Clause 2.12.2;
 - (c) it is signed, sealed, hard bound and marked as stipulated in Clauses 2.10 and 2.11;
 - (d) it is accompanied by the Bid Security as specified in Clause 2.1.7;
 - (e) it is accompanied by the Power(s) of Attorney as specified in Clauses 2.1.9 and 2.1.10, as the case may be;
 - (f) it contains all the information (complete in all respects) as requested in this RFP and/or Bidding Documents (in formats same as those specified);
 - (g) it does not contain any condition or qualification; and
 - (h) it is not non-responsive in terms hereof.
- 3.2.2 The Authority reserves the right to reject any Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such Bid.
- #### 3.3 Selection of Bidder
- 3.3.1 The Bidder adjudged as responsive in terms of Clause 3.2.1 and quoting the



highest percentage of Gross Revenue Share shall be declared as the selected Bidder (the "Selected Bidder").

- 3.3.2 In the event that two or more Bidders quote the same amount of percentage of highest Gross Revenue Share (the "Tie Bidders"), the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.
- 3.3.3 In the event that the highest Bidder withdraws or is not selected for any reason in the first instance (the "first round of bidding"), the Authority may invite all the remaining Bidders to revalidate or extend their respective Bid Security, as necessary, and match the Bid of the aforesaid highest Bidder (the "second round of bidding"). If in the second round of bidding, only one Bidder matches the highest Bidder, it shall be the Selected Bidder. If two or more Bidders match the said highest Bidder in the second round of bidding, then the Bidder whose Bid was higher as compared to other Bidder(s) in the first round of bidding shall be the Selected Bidder. For example, if the third and fifth highest Bidders in the first round of bidding offer to match the said highest Bidder in the second round of bidding, the said third highest bidder shall be the Selected Bidder.
- 3.3.4 In the event that no Bidder offers to match the highest Bidder in the second round of bidding as specified in Clause 3.3.3, the Authority may, in its discretion, invite fresh Bids (the "third round of bidding") from all Bidders except the highest Bidder of the first round of bidding, or annul the Bidding Process, as the case may be. In case the Bidders are invited in the third round of bidding to revalidate or extend their Bid Security, as necessary, and offer fresh Bids, they shall be eligible for submission of fresh Bids provided, however, that in such third round of bidding only such Bids shall be eligible for consideration which are higher than the Bid of the second highest Bidder in the first round of bidding.
- 3.3.5 After selection, a Letter of Award (the "LOA") shall be issued, in duplicate, by the Authority to the Selected Bidder and the Selected Bidder shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. In the event the duplicate copy of the LOA duly signed by the Selected Bidder is not received by the stipulated date, the Authority may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such Selected Bidder as mutually agreed genuine pre-estimated loss and damage suffered by the

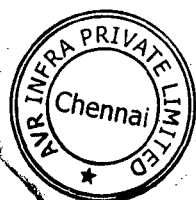


Authority on account of failure of the Selected Bidder to acknowledge the LOA, and the next eligible Bidder may be considered.

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

3.4 Contacts during Bid Evaluation

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



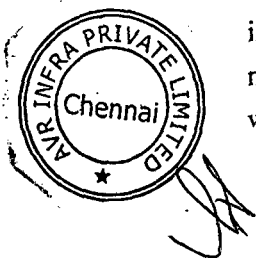
4. FRAUD AND CORRUPT PRACTICES

4.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOA and during the subsistence of the Concession Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Concession Agreement, the Authority shall reject a Bid, withdraw the LOA, or terminate the Concession Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder or Concessionaire, as the case may be, if it determines that the Bidder or Concessionaire, as the case may be, has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, the Authority shall forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine pre-estimated compensation and damages payable to the Authority towards, inter alia, time, cost and effort of the Authority, without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise.

4.2 Without prejudice to the rights of the Authority under Clause 4.1 hereinabove and the rights and remedies which the Authority may have under the LOA or the Concession Agreement, if a Bidder or Concessionaire, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, or after the issue of the LOA or the execution of the Concession Agreement, such Bidder or Concessionaire shall not be eligible to participate in any tender or RFP issued by the Authority during a period of 2 (two) years from the date such Bidder or Concessionaire, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.

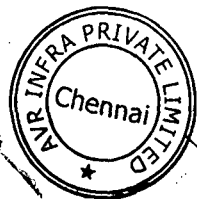
4.3 For the purposes of this Clause 4, the following terms shall have the meaning hereinafter respectively assigned to them:

- (a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly with the Bidding Process or the LOA or has dealt with matters concerning the Concession Agreement or arising therefrom, before



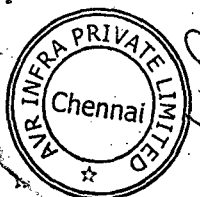
or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Concession Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Concession Agreement, who at any time has been or is a legal, financial or technical adviser of the Authority in relation to any matter concerning the Project;

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



5. PRE-BID CONFERENCE

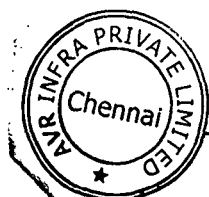
- 5.1 Pre-Bid conferences of the Bidders shall be convened at the designated date, time and place. Only those persons who have purchased the RFP document shall be allowed to participate in the Pre-Bid Conferences. A maximum of five representatives of each Bidder shall be allowed to participate on production of authority letter from the Bidder.
- 5.2 During the course of Pre-Bid conferences, the Bidders will be free to seek clarifications and make suggestions for consideration of the Authority. The Authority shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.



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6. MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts at Visakhapatnam shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
 - (b) consult with any Bidder in order to receive clarification or further information;
 - (c) retain any information and/ or evidence submitted to the Authority by, on behalf of, and/ or in relation to any Bidder; and/ or
 - (d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection herewith and waives any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or future.



APPENDIX - 1

Letter comprising the Bid

(Refer Clauses 2.1.5 and 2.14 of the RFP)

Dated:

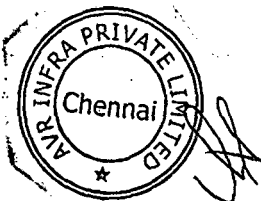
The Chief Engineer,
Visakhapatnam Port Trust,
Visakhapatnam - 530 035

Sub: Bid for the development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam port Project for handling liquid cargo on DBFOT basis

Dear Sir,

With reference to your RFP document dated *****, I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.

2. All information provided in the Bid and in the Appendices is true and correct.
3. This statement is made for the express purpose of qualifying as a Bidder for the project "Development of Eastern Quay - 10 (EQ-10) berth in the northern arm of inner harbour of Visakhapatnam port for handling liquid cargo on DBFOT basis"
4. I / We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Bid.
5. I / We acknowledge the right of the Authority to reject our Bid without assigning any reason or otherwise and we hereby waive our right to challenge the same on any account whatsoever.
6. I / We certify that in the last three years, I / we/ any of the Consortium Members have neither failed to perform on any contract, as evidenced by imposition of a penalty or a judicial pronouncement or arbitration award, nor been expelled from any project or contract nor have had any contract terminated for breach on our part.
7. I/ We declare that:
 - (a) I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authority.



- (b) I/ We do not have any conflict of interest in accordance with Clauses 2.1.14 and 2.1.15 of the RFP document;
 - (c) I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
 - (d) I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 4 of the RFP, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
8. I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with Clause 2.6 of the RFP document.
9. I/ We believe that we/ our Consortium/ proposed Consortium satisfy(ies) the Net Worth criteria and meet(s) the requirements as specified in the RFQ document and are/ is qualified to submit a Bid in accordance with the guidelines for qualification of bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment issued by the Government vide Department of Disinvestment OM No. 6/4/2001- DD-II dated 13th July, 2001 which guidelines apply mutatis mutandis to the Bidding Process.
10. I/ We declare that we/ any Member of the Consortium, are/ is not a Member of a/ any other Consortium submitting a Bid for the Project.
11. I/ We certify that in regard to matters other than security and integrity of the country, we have not been convicted by a Court of Law or indicted or have adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
12. I/ We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our Associates.



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A handwritten signature in black ink, appearing to be a stylized "S" or "SS".

13. I/ We further certify that no investigation by a regulatory authority is pending either against us or against our Associates or against our CEO or any of our Directors/ Managers/ employees.
14. I/ We further certify that we are qualified in terms of the additional criteria specified by the Department of Disinvestment in their OM No. 6/4/2001-DD-II dated July 13, 2001, a copy of which forms part of the RFP at Appendix-V thereof.
15. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the provisions of this RFP, we shall intimate the Authority of the same immediately.
16. We acknowledge that our Consortium/ proposed Consortium was pre-qualified and short-listed on the basis of Technical Capacity and Financial Capacity of those of its Members who will own at least 26% of the equity of the Concessionaire and undertake that each of such Consortium Members shall continue to hold at least 26% of the equity of the Concessionaire until the Commercial Operation Date of the Project is achieved under and in accordance with the provisions of the Concession Agreement. We further agree and acknowledge that the aforesaid obligation shall be in addition to the obligations contained in the Concession Agreement in respect of Change in Ownership.
17. I/We acknowledge and agree that in the event of a change in control of an Associate whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of short-listing and pre-qualification under and in accordance with the RFQ, I/We shall inform the Authority forthwith along with all relevant particulars and the Authority may, in its sole discretion, disqualify our Consortium or withdraw the Letter of Award, as the case may be. I/We further acknowledge and agree that in the event such change in control occurs after signing of the Concession Agreement but prior to Financial Close of the Project, it would, notwithstanding anything to the contrary contained in the Agreement, be deemed a breach thereof, and the Concession Agreement shall be liable to be terminated without the Authority being liable to us in any manner whatsoever.
18. I/ We understand that the Selected Bidder shall either be an existing Company incorporated under the Indian Companies Act, 1956, or shall incorporate itself as such prior to execution of the Concession Agreement.
19. I/We hereby irrevocably waive any right which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority

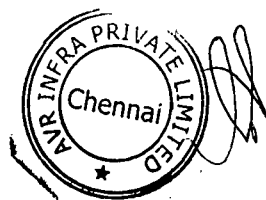


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A handwritten signature in black ink, appearing to be "H. S. S.", written in a stylized, cursive manner.

in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.

20. In the event of my/ our being declared as the Selected Bidder, I/We agree to enter into a Concession Agreement in accordance with the draft that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
21. I/We have studied all the Bidding Documents carefully and also surveyed the project Site . We understand that except to the extent as expressly set-forth in the Concession Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the Authority or in respect of any matter arising out of or concerning or relating to the Bidding Process including the award of Concession.
22. The percentage Gross Revenue Share has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP, draft Concession Agreement, our own estimates of costs and after a careful assessment of the site and all the conditions that may affect the Bid.
23. I/We offer a Bid Security of Rs.5.538 (Rupees five decimal five three eight only) million to the Authority in accordance with the RFP document.
24. The Bid Security in the form of a Demand Draft/ Bank Guarantee (strike out whichever is not applicable) is attached.
25. I/We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/We shall have any claim or right of whatsoever nature if the Project / Concession is not awarded to me/us or our Bid is not opened.
26. I/We hereby submit our Bid and offer a Gross Revenue Share of ____ per cent (in words) for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement.
27. I/We agree to keep this offer valid for 120 (one hundred and twenty) days from the Bid Due Date specified in the RFP.



28. I/We agree and undertake to abide by all the terms and conditions of the RFP document.

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

Yours faithfully,

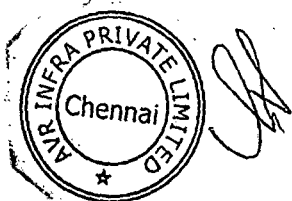
Date:

(Signature of the Authorised signatory)

Place:

(Name and designation of the of the Authorised signatory)

Name and seal of Bidder/Lead Member



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APPENDIX - II

Bank Guarantee for Bid Security

(Refer Clauses 2.1.7 and 2.20.1 of the RFP)

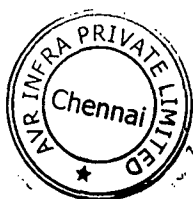
B.G. No.

Dated:

1. In consideration of you, Visakhapatnam Port Trust, having its office at Visakhapatnam, Visakhapatnam - 530 035, Andhra Pradesh, India, (hereinafter referred to as the "Authority", which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of

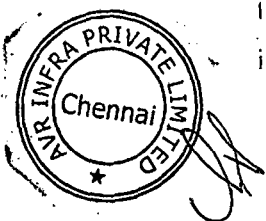
_____ [a Company registered under provision of the Companies Act, 1956] and having its registered office at _____ [and acting on behalf of its Consortium] (hereinafter referred to as the "Bidder" which expression shall unless it be repugnant to the subject or context thereof include its/their executors administrators, successors and assigns), for the development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Project on DBFOT basis (hereinafter referred to as "the Project") pursuant to the RFP document dated ***** issued in respect of the Project and other related documents (hereinafter collectively referred to as "Bidding Documents"), we [Name of the Bank] having our registered office at _____ and one of our branches at _____ (hereinafter referred to as the "Bank"), at the request of the Bidder, do hereby in terms of Clause 2.1.7 read with Clause 2.1.8 of the RFP Document, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Authority an amount of Rs. 5.538 (Rupees five decimal five three eight only) million as bid security (hereinafter referred to as the "Bid Security") as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfill or comply with all or any of the terms and conditions contained in the said Bidding Documents.

2. Any such written demand made by the Authority stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the



claim of the Authority is disputed by the Bidder or not merely on the first demand from the Authority stating that the amount claimed is due to the Authority by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. ***** (Rupees ***** only).

4. This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
5. We, the Bank, further agree that the Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.
6. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person or entity.
7. In order to give full effect to this Guarantee, the Authority shall be entitled to treat the Bank as the principal debtor. The Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing



any of the terms and conditions contained in the said Bidding Documents or the securities available to the Authority, and the Bank shall not be released from its liability under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Authority or any indulgence by the Authority to the said Bidder or by any change in the constitution of the Authority or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.

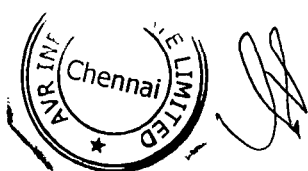
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
9. We, the Bank undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch who shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for the Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Authority may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Authority in writing.
12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.

Signed and Delivered by _____ Bank

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

(Signature of the Authorised Signatory)

(Official Seal)



APPENDIX - III

Power of Attorney for signing of Bid

(Refer Clause 2.1.9 of the RFP)

Know all men by these presents, We, _____ (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr. / Ms (Name), son/daughter/wife of _____ and presently residing at _____, who is [presently employed with us/ the Lead Member of our Consortium and holding the position of _____], as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bid for the development of Eastern Quay (EQ-10) Berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Project on DBFOT basis 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, participating 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 lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

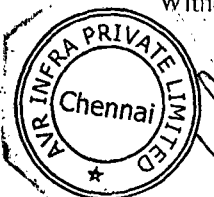
IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____, 2009.

For _____

(Signature)

(Name, Title and Address)

Witnesses:



- 1.
- 2.

Accepted

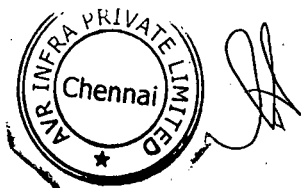
[Notarised]

(Signature)

(Name, Title and Address
of the Attorney)

Notes:

- ③ *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- ③ *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- ③ *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued.*



APPENDIX - IV

Power of Attorney for Lead Member of Consortium

(Refer Clause 2.1.10 of the RFP)

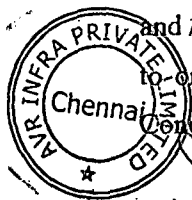
Whereas the Visakhapatnam Port Trust ("the Authority") has invited bids from pre-qualified and short-listed parties for development of Eastern Quay (EQ-10) berth in the Northern Arm of Inner Harbour of Visakhapatnam Port for handling liquid cargo Project :

Whereas, _____ and _____ (collectively the "Consortium") being members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposal and other connected documents in respect of the Project, and

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

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

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



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

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED
THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____ 2009.

For _____
(Name & Title)

For _____
(Name & Title)

For _____
(Name & Title)

Witnesses :

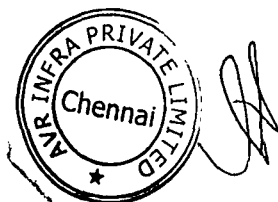
- 1.
- 2.

(Executants)

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

Notes :

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant (s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of the Attorney is being issued.*



APPENDIX - V

Guidelines of the Department of Disinvestment

(Refer Clause 1.2.1)

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

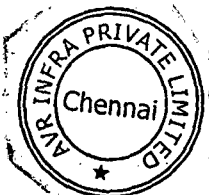
Block 14, CGO Complex
New Delhi
Dated 13th July 2001

OFFICE MEMORANDUM

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

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

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

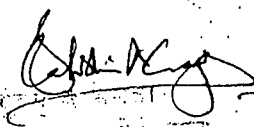


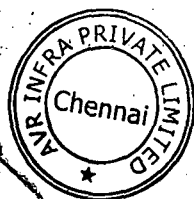
- (d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect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

sd/-

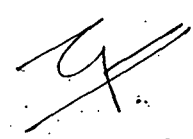
(A.K. Tewari)

Under Secretary to the Government of India.


CHIEF ENGINEER
Vishakhapatnam Port Trust







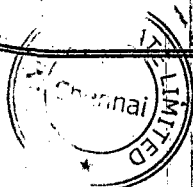
TECHNO-ECONOMIC
FEASIBILITY REPORT
FOR
DEVELOPMENT OF EQ.10 BERTH
IN INNER HARBOUR
OF
PORT OF VISAKHAPATNAM
ON
DBFOT BASIS



AUGUST 2009

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VISAKHAPATNAM – 530 035

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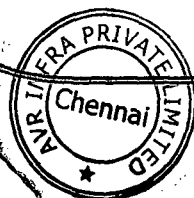
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CHAPTER - I

PROJECT BACKGROUND

1.1 Introduction

The Port of Visakhapatnam, the first Indian Major Port to cross 64 MT mark in cargo throughput is consistently making relentless efforts in enhancing its capacity in consonance with changing requirements of the trade.

Located almost between Chennai and Calcutta, the Port of Visakhapatnam was opened to commercial shipping on 7th Oct. 1933. The Port serves a vast hinterland comprising primary and secondary service area, which includes -Chattisgarh, Jharkhand, Bihar, Uttar Pradesh, Madhya Pradesh and parts of Orissa, West Bengal and Punjab. The only Indian port having three International Accreditations at her credit viz.,

ISO 14001 - 1996	-	EMS (Environmental Management System)
OHSAS - 18001	-	(Occupational Health & Safety Management) and
ISO 9001 - 2000	-	QMS (Quality Management System)

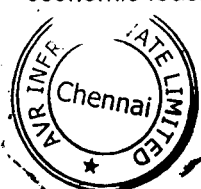
1.2 The Growth

The Port, which started with traffic of 1.3 lakh tonnes during the year 1933, has made rapid strides in cargo handling and attained a throughput of 64.60 MT in 2007-08. Having recognized the imperative need to provide *just in time* service to the customers, the port has taken several administrative reforms in the past few years to improve the efficiency and productivity. The average output per ship berth day in 2007-08 is about 10,600 tonnes and pre-berthing detention on Port A/c was 5.10 hours.

1.3 The vision

As per the indications received, the traffic is likely to touch 82.2 MT by 2011-12. This increase in demand is foreseen not only in terms of quantity but also in quality. To meet the anticipated demand, Port has formulated various developmental programmes aimed at capacity augmentation, which includes deepening of channels, strengthening and deepening at berths, up-gradation / construction of berths and logistic improvement.

In consonance with the guidelines of the Ministry for construction of new berths on BOT basis, a proposal to construct one liquid cargo berth in the inner harbour of the Port adjacent to EQ.9 berth has been conceptualized. The present proposal aims at examining the Techno-economic feasibility of the proposal.

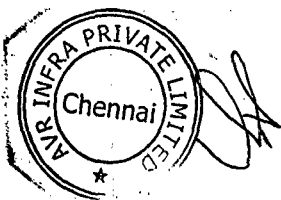


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1.4 Scope of the report

Development of EQ-10 berth is in the northern arm of the inner harbour of Visakhapatnam Port on BOT basis as multipurpose cargo berth. This report covers.

- (a) Study of various alternative layouts for developing the EQ-10 berth on Eastern quay to evolve the most suitable layout.
- (b) Conducting the topographical survey of the proposed area to identify the existing structures requiring demolition / re routing and to assess cost of such demolition as well as assessment of cost of dredging.
- (c) Techno-economic analysis of the proposed project.
- (d) Identification of the approvals required for the project from the statutory authorities.



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CHAPTER - 2

PORT INFRASTRUCTURE & PAST PERFORMANCE

- 2.1 The port, situated at latitude 17° 41' North and longitude 83° 17' East, comprises two harbours viz., the inner harbour and the outer harbour. Besides, there is a fishing harbour adjacent to the Port. The outer harbour is encompassed by three breakwaters viz., north breakwater (412m), south breakwater (1543m) and east breakwater (1070m). The water spread and land areas available in the two harbours are as follows: .

(Hectares)

	Inner harbour	Outer harbour
* Water spread	100	200
* Land area	3881	25

The dimensions of the approach channels are as under:

(Meters)

	Inner harbour	Outer harbour
* Length	1620	1700
* Depth	11.8	20.0
* Width	97.5	200

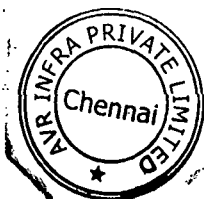
Ship dimensions permitted through the inner and outer harbour are indicated below:

(Meters)

	Inner harbour	Outer harbour
* LOA	230	280
* Beam	32.50	48
* Draft	11.0	17

2.2 BERTH FACILITIES

Presently, there are 18 alongside berths in the inner harbour and 6 berths and one oil mooring in the outer harbour. Following table gives the ship sizes permitted and cargoes handled at each of these berths.



Berths	LOA (m)	Beam (m)	Draft (m)	Commodities handled	Crane position
A. Inner Harbour					
East quay-1 #	167.64	32.20	10.06	Pet coke, ISM, soya, other bulk, BF slag, ores, I.band, Feldspar, fertilizers, LAM Coke	4 Nos. 15 T
East quay-2 #	167.64	32.20	10.06		4 Nos. 10 T
East quay-3 #	167.64	32.20	10.06		4 Nos. 10 T
East quay-4 #	231.00	32.20	10.06		4 Nos. 15 T
East quay-5 #	167.64	32.20	10.21		2 Nos. 15 T
East quay-6 #	182.90	32.20	10.21	Liquid ammonia, Phos. acid, B.F. slag	3 Nos. 10 T
East quay-7 #	255.00	32.20	10.70	Thermal coal, scrap, fertilizers	4 Nos. 20 T
East quay-8 # (BOT)	255.00	32.20	10.70	BF slag, iron ore, steam coal, fertilizers, styrene monomer	3 Nos. 104 T (Harbour mobile crane)
East quay-9 # (BOT)	255.00	32.20	10.70	BF slag, ISM, feldspar, steam coal, fertilizer	
West quay-1 #	212.00	32.20	10.70	Coking coal, thermal coal, limestone and other break bulk cargoes	
West quay-2 #	226.70	32.20	10.70	Iron ore, pellets, T.coal, C.Coal	
West quay-3 #	201.12	32.20	10.70*	C.coal, LP coke, limestone	
West quay-4 #	243.00	32.20	10.70*	Coking coal, thermal coal, steam coal	
West quay-5 #	241.70		10.70*	Caustic soda, alumina, T. Coal	
RE. WQ.1	170.00	32.20	8.00	Container & General cargo	
Fertilizer berth	173.13	32.20	10.06	Captive berth of M/s. CFL	
OR-I **	183.00	32.2	10.06	POL products, LPG, Styrene monomer	
OR-II **	183.00	32.2	9.75		
B. Outer harbour					
Ore berth-1	270.00	42.00	16.50 @	Iron ore, iron pellets, lash vessels	
Ore berth-2	270.00	42.00	16.50 @		
Oil mooring (NOM)	250.00	46.00	15.00	Transit terminal of POL crude & products	
General Cargo Berth	356.00	42.00	14.50 @@	Coking coal & bulk cargoes (on rising tide of 0.5 mtrs)	
Off-shore tanker terminal (OSTT)	408.00	50.00	17.00 @@	Crude oil (on rising tide of 0.5 mtrs)	
LPG	370.92	42.00	13.0	LPG, POL	
Container terminal (operated by M/s. VCTPL)	451.00	42.00	14.9	Containers	
# Multipurpose berth * continuous quay					

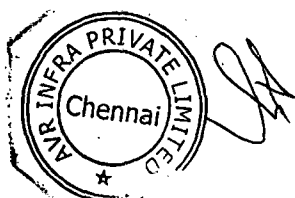
** subject to maximum 195 mtrs at one of two berths

@ on a rising tide of 0.3 mtrs.

@@ on a rising tide of 0.5 mtrs.

2.3 Details of the port crafts

Type	Number	Type	Number
Fire float (Agni - Class-I)	1	Mooring Launches	4
Oil Barge	1	Floating crane	2
Oil recovery craft (on hire basis)	1	Pilot launches	3
Steel Barges	2	Tractor tug (shipping)	8
Survey Launch	1	General purpose launches	5
Water Barge	1	Dredgers	1



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2.4 Container handling facilities (by M/s. VCTPL)

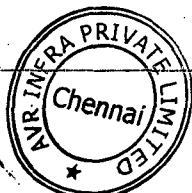
- Deepest container terminal among major ports (14.9 mtrs)
- Paved container yard – 17 hectares
- 2 Nos. RMQC, 2 Nos. RTGC and 4 Nos. Reach stackers
- Facilities to handle 132 reefer containers
- Railway siding facilities to handle full rake (45 wagons)
- Excellent road and rail connectivity
- CFS facilities by CONCOR, CWC and two private operators.

2.5 The mechanized facilities existing at EQ.8 & EQ.9 berths operated by M/s. Vizag Sea Port Ltd.:

- | | |
|--|--------|
| i) 104 T capacity harbour mobile crane : | 3 Nos. |
| ii) 240 T capacity mobile hoppers : | 2 Nos. |
| iii) 1,500 TPH stackers : | 2 Nos. |
| iv) 1,100 TPH wagon loader : | 1 No. |
| v) Weigh bridges : | 2 Nos. |

2.6 MECHANISED HANDLING FACILITIES:

NAME OF THE CARGO	DETAILS OF MECHANISED FACILITIES
Iron ore & Pellets	Mechanised ore handling plant consisting of ship loader of 8,000 TPH capacity. Three bucket wheel reclaimers of 4,000 TPH each. Twin wagon tippers of 100 tonne lifting capacity and 27 tips per hour, Third tippler of 120 tonnes lifting capacity and 30 tips per hour. Two stackers of 2,700 TPH each and a conveyor System of about 9kms (both ways).
Alumina	Ship loader with a capacity of 2,200 tonnes / hour and three silos of 25,000 tonne each (owned, operated and maintained by M/s NALCO) Mechanised wagon-unloading system to unload Alumina from wagons at 1,100 TPH.
Crude Oil	Three unloading arms with discharge capacity of 5,500 tonnes per hour.
Transshipment of crude oil	Direct discharge from ship to ship at one of the oil moorings.
Fertilizer and Fertilizer raw material	Screw type marine unloader of capacity 400 Tonnes per hour (Owned, operated and maintained by M/s.CFL)
Import and Export of Petroleum product	Two oil berths equipped with pipeline facilities connecting the storage tanks of the refinery.
Caustic soda	Direct discharge through pipeline @ 600 TPH in case of caustic soda and three silos of 10,000 tonnes capacity each
Liquid Ammonia and Phosphoric Acid, Sulphuric Acid, Styrene monomer, Molten sulphur, etc.	Direct discharge facilities through pipeline
Soya extracts	Four sets of conveyor of 100 TPH capacity each and Mini dozers
At BOT berths	3 Nos. 104 tonne harbour mobile cranes, 2 nos. 1,500 TPH stacker reclaimer, 2 nos. 240 tonne mobile hoppers, 1 no. - 1,100 TPH wagon loader



2.7 STORAGE FACILITIES

Sl. No.	Type of storage	Under port (Area in sq.mtrs.)	Under user agencies (Tonnes)
1	Covered area		
	A) Transit shed	30,525	--
	B) Storage shed	29,909	615,929
	C) Warehouse	10,483	66230+(100 to 125 TEUs)
	D) SILOS	--	81,500
2	Open area	1,243,380	114,884 Tonnes and 309,356 sq.m.
3	Liquid bulk cargo (Tank farms) etc.	--	1,216,648 121,437 KL

2.8 Facilities for transportation of cargo to the hinterland

The port owns, operates and maintains 200.06 KMs of track length. There are 12 sidings and 17 open terminals in the Port railway system. The cargo moved by the port railways in the year 2007-08 was 35.46 MT; in addition the port has 80 KMs of road network. An additional link road connecting the operational area with National Highway No.5 is operational with effect from 14-12-2006.

2.9 Shore reception facilities

The Port is providing reception facilities for waste oil and garbage from ships through authorized licensees in addition to a 100 tonne capacity masonry tank to provide reception facilities to Port crafts under MARPOL Regulation 73 / 78.

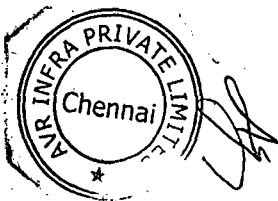
2.10 The port has the following acquisition programmes

- Procurement of bucket wheel reclaimer.
- Replacement of tugs Swarna / Nethravathi.
- Replacement of 10 tonne cranes by 4 Nos. harbour mobile cranes.
- Mechanized cargo handling facilities at GCB.
- Mechanized cargo handling facilities at two berths of inner harbour.
- Installation of shipside handling facilities at WQ.7 for Alumina.
- Modernization of ore handling complex.

2.11 Dry Dock facilities

The Port has two Dry docks – One for repairs of Port craft and other for repairs of fishing trawlers. The dimensions of these dry docks are indicated below:

Dry-docks	Dimensions
▪ For port craft	137 x 18 x 5.6 m
▪ For fishing trawlers	65 x 21 x 6.0 m



2.12 Night Navigation facilities

- 1 Ships upto 114,000 DWT vessels are being berthed at OSTT with two pilots
- 2 Ships with 75,000 DWT and above are being berthed at OB-1, OB-2 and GCB with two Pilots.
- 3 Berthing / un-berthing and double banking at NOM is restricted to daylight only.
- 4 No restriction for LPG ships.

Departures

- 1 No restrictions except mother tankers at NOM which are handled during daylight only
- 2 No restrictions for ships sailing from OB-1, OB-2, GCB, OSTT and daughter vessels at NOM.

2.13 Pilotage

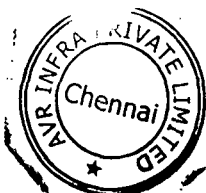
Pilotage is compulsory both for inward and outward movement of ships and for movement of ships between berths and moorings within the harbour. Pilotage services are provided round-the-clock, with prior advice to the harbour Master of the port.

2.14 Power supply

The Port draws its entire requirement of power from the Andhra Pradesh State Electric Board (APSEB) through the 132 KV sub-station. During 2006-07 it consumed 315.01 lakh units of electric power. Although the port does not face any dearth of power supply from APSEB, an alternative source available is M/s. Rain Calcining.Ltd.,(RCL), which is located in the vicinity of the port.

2.15 Water supply

The main source of water supply to the Port is the Greater Visakhapatnam Municipal Corporation (GVMC). In addition, the port has its own underground water source. During 2006-07 a quantity of 21.09 lakh kiloliters of water was received by Port from various sources out of which 7.66 lakh kilolitres was from Port's own resources.



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2.16 PAST PERFORMANCE OF THE PORT

2.16.1 Visakhapatnam Port witnessed a phenomenal growth in the cargo throughput over the past one decade. The cargo throughput of the port increased from 44.34 million tonnes in 2000-01 to 64.60 million tonnes in 2007-08. Following Table below gives the year-wise growth in the cargo throughput of the port vis-à-vis the major ports of the country during the last seven years.

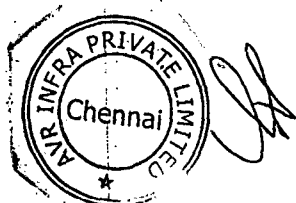
Year	Traffic handled (In million tonnes)		% share of traffic handled by Visakhapatnam Port
	Visakhapatnam Port	All major ports of the country	
2001-02	44.34	287.58	15.4
2002-03	46.00	313.55	14.7
2003-04	47.73	344.80	13.8
2004-05	50.15	383.63	13.1
2005-06	55.80	423.41	13.2
2006-07	56.39	463.78	12.2
2007-08	64.60	519.16	12.4

2.16.2 Commodity – Group wise traffic handled (lakh tonnes)

Commodity	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Crude Oil and Products	169.14	174.26	146.28	169.42	181.78	198.03
Iron Ore	77.58	94.18	134.22	129.58	103.27	127.90
Iron Pellets	25.97	28.73	31.01	30.29	43.74	55.73
Finished Fertilizers	7.16	8.39	13.67	22.95	26.18	32.84
Fertiliser Raw Materials (Dry + liquid)	9.02	9.42	8.02	13.29	12.98	10.61
Thermal Coal	31.97	24.83	24.88	26.97	24.06	28.95
Coking coal & Lam coke	66.66	65.63	71.75	75.18	73.03	80.64
Other cargo	72.56	71.92	71.64	90.33	98.81	111.27
Total	460.06	477.36	501.47	558.01	563.85	645.97

2.16.3 Overseas and Coastal traffic

	(In lakh tonnes)				
	2003-04	2004-05	2005-06	2006-07	2007-08
▪ Overseas	316.82	365.26	401.29	385.27	448.28
▪ Coastal	160.54	136.22	156.72	178.58	197.69
Total	477.36	501.48	558.01	563.85	645.97



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2.16.4 Vessel traffic

	2003-04	2004-05	2005-06	2006-07	2007-08	(Nos.) CARG (%)*
▪ Liquid bulk	516	477	629	661	659	6.31
▪ Dry bulk						
- Mechanical	208	293	286	252	285	8.19
- Conventional	577	657	736	758	923	12.46
▪ Break bulk	264	182	221	205	267	0.28
▪ Container	112	196	199	176	212	17.29
Total	1677	1805	2071	2052	2346	8.75
* Compound Annual Rate of Growth between 2007-08 and 2003-04						

2.16.5 Average DWT size of vessels

	2003-04	2004-05	2005-06	2006-07	2007-08	(in tonnes)
▪ Liquid bulk	56154	54502	48180	49309	54546	
▪ Dry bulk						
- Mechanical	63719	63811	64658	64629	64741	
- Conventional	39568	40250	41274	40696	40257	
▪ Break bulk	13274	13129	13089	17439	12487	
▪ Container	14855	17379	17800	19910	19345	
Overall	41876	42623	41337	42303	42195	

2.16.6 Average Parcel size of vessels

	2003-04	2004-05	2005-06	2006-07	2007-08	(in tonnes)
▪ Liquid bulk	34881	32213	27863	29052	31261	
▪ Dry bulk						
- Mechanical	55970	53247	53727	53235	52697	
- Conventional	29546	26634	28320	28352	28214	
▪ Break bulk	7082	5649	6004	7660	6334	
▪ Container	2506	3216	3168	4538	5343	
Overall	28435	27769	26909	27523	27487	

2.16.7 Average turn round time of vessels

	2003-04	2004-05	2005-06	2006-07	2007-08	(No. of days)
▪ Liquid bulk	2.19	2.09	2.40	2.51	2.59	
▪ Dry bulk						
- Mechanical	3.79	3.07	3.54	3.12	3.60	
- Conventional	4.33	4.54	5.67	5.18	5.32	
▪ Break bulk	4.19	4.48	4.76	4.97	5.15	
▪ Container	0.60	0.43	0.55	0.58	0.74	
Overall	3.33	3.20	3.80	3.65	3.91	



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2.16.8 Average Pre-berthing detention to vessels**(No. of days)**

	2003-04	2004-05	2005-06	2006-07	2007-08
▪ Liquid bulk	0.66	0.62	0.85	0.94	0.93
▪ Dry bulk					
-Mechanical	1.58	1.04	1.30	0.93	1.17
-Conventional	0.53	0.94	1.40	1.17	1.45
▪ Break bulk	0.87	0.84	0.82	0.79	1.02
▪ Container	0.08	0.03	0.08	0.06	0.13
Overall	0.75	0.76	1.03	0.93	1.10

2.16.9 Average Stay at berth**(No. of days)**

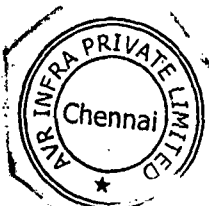
	2003-04	2004-05	2005-06	2006-07	2007-08
▪ Liquid bulk	1.41	1.25	1.43	1.45	1.54
▪ Dry bulk					
-Mechanical	2.09	1.90	2.11	2.06	2.31
-Conventional	3.57	3.46	4.11	3.86	3.71
▪ Break bulk	3.21	3.53	3.81	4.05	4.00
▪ Container	0.43	0.33	0.39	0.44	0.53
Overall	2.45	2.32	2.63	2.59	2.67

2.16.10 Average working time**(No. of days)**

	2003-04	2004-05	2005-06	2006-07	2007-08
▪ Liquid bulk	1.01	1.00	1.03	1.04	1.15
▪ Dry bulk					
-Mechanical	1.38	1.08	1.20	1.15	1.23
-Conventional	2.99	2.86	3.28	3.09	2.90
▪ Break bulk	2.66	2.83	3.14	3.35	3.23
▪ Container	0.31	0.24	0.25	0.32	0.38
Overall	1.95	1.79	2.00	1.98	2.01

2.16.11 Average non-working time**(No. of days)**

	2003-04	2004-05	2005-06	2006-07	2007-08
▪ Liquid bulk	0.40	0.35	0.40	0.40	0.39
▪ Dry bulk					
-Mechanical	0.71	0.82	0.92	0.91	1.08
-Conventional	0.58	0.59	0.82	0.76	0.81
▪ Break bulk	0.55	0.70	0.67	0.70	0.77
▪ Container	0.12	0.09	0.14	0.12	0.15
Overall	0.50	0.52	0.63	0.60	0.66



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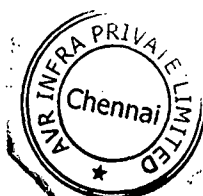
2.16.12 Average output per ship berth day

(Tonnes)

	2003-04	2004-05	2005-06	2006-07	2007-08
▪ Liquid bulk	25131	23934	19565	20090	20484
▪ Dry bulk					
- Mechanical	27738	31316	28452	28141	25671
- Conventional	7767	7782	7133	7522	7835
▪ Break bulk	2224	1605	1584	1895	1601
▪ Container	5792	9668	8097	10221	10065
Overall	11712	12241	10557	10868	10600

2.16.13 Reason wise analysis of pre-berthing detention during the past three years

Description	Ship hours lost		
	2005-06	2006-07	2007-08
(A) Port Account			
▪ Want of berth	1759	6305	8348
▪ Awaiting tug/pilot	--	--	--
▪ Night navigation restrictions	615	435	49
▪ Due to earlier movements	786	2018	2898
▪ Port strike	--	46	--
▪ Plant breakdowns	--		--
▪ Other reasons	19	1013	671
Total (A)	3179	9817	11966
(B) Other Account			
▪ Documents / Shipper not ready	42276	34438	49363
▪ Awaiting mother / daughter tankers	2591	239	12
▪ Tidal draft	135	344	295
▪ Want of cargo	1983	105	
▪ Safety reason			
▪ Bad weather / not ready	813	138	300
▪ Other reasons (including hullage)	522	933	68
Total (B)	48320	36197	50038
Total (A+B)	51499	46014	62004



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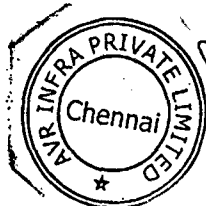
2.16.14 BERTH WISE TRAFFIC AND OCCUPANCY FOR THE LAST 3 YEARS (MULTIPURPOSE BERTHS)

Berth	Berth Occupancy (In days)			Traffic (In lakh tonnes)		
	2007-08	2006-07	2005-06	2007-08	2006-07	2005-06
EQ.1	310	273	271	10.52	11.68	10.64
EQ.2	292	225	260	6.14	5.31	6.66
EQ.3	306	210	282	8.69	4.91	4.99
EQ.4	316	287	303	14.85	10.09	10.95
EQ.5	328	302	256	8.59	9.55	6.81
EQ.6	304	263	176	8.97	9.09	4.86
EQ.7	305	306	306	19.88	15.98	13.48
EQ.8	203	114	125	16.01	6.13	7.77
EQ.9	218	179	92	20.60	16.50	5.29
WQ.1	289	223	231	22.98	16.23	16.10
WQ.2	291	226	245	22.99	18.56	20.02
WQ.3	296	254	276	21.13	21.73	22.92
WQ.4	298	236	280	25.56	20.61	24.09
WQ.5	270	220	238	26.42	21.94	22.45
WQ.7*	--	120	97	--	0.67	4.96
GCB	307	312	298	53.98	53.14	49.48
Total	4333	3750	3736	287.31	242.12	231.47

*WQ.7 decommissioned w.e.f. 23-02-2007

2.16.15 FINANCIAL PERFORMANCE INDICATORS

Sl. No	ITEM	2003-04	2004-05	2005-06	2006-07	2007-08
1	Operating Income (Rs. in Crores)	454.29	501.87	528.46	533.75	561.21
2	Operating Exp. (Rs. in Crores)	221.25	223.53	243.10	243.79	283.56
3	Operating Surplus (Rs. in Crores)	233.04	278.34	285.36	289.96	277.65
4	Operating ratio (%)	48.70	44.54	46.00	45.67	50.53
5	Operating cost per tonne (Rs.)	46.34	44.57	43.57	43.24	43.90



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CHAPTER - 3

TRAFFIC ANALYSIS & FORECAST

3.1 Traffic at M.P.B's:

At present the port has 13 Multi-purpose berths viz., EQ-1 to EQ-7 and WQ-1 to WQ-5 and WQ-7 in the Inner Harbour besides two BOT berths (EQ-8 and EQ-9) and one deep draft General-cum-bulk cargo berth in the Outer Harbour. The details of total traffic handled at the Port and the traffic handled at Multi-purpose berths of Inner harbour from 2001-02 to 2007-08 are as under:

(Million tonnes)

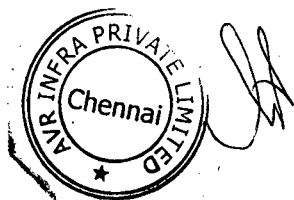
Year	Total traffic	Traffic at MPB's and GCB
2001-2002	44.68	17.34
2002-2003	46.00	20.08
2003-2004	47.74	18.97
2004-2005	50.14	19.75
2005-2006	55.80	23.15
2006-2007	56.39	24.23
2007-2008	64.60	28.79

The total traffic at the above Multi-purpose berths of Inner harbour in 2007-08 constituted 44.57% of the total traffic. The berth occupancy of multi-purpose berths during 2007-08 was as high as 79% as against the recommended norm of 75% for berth occupancy for Multi-purpose berth. The higher berth occupancies are resulting in detention to the vessels calling at the Port. About 237 ship days were lost by ships which visited the Port during 2007-08 for want of multi-purpose berths at Inner harbour.

The present throughput 28.73 MT at Multipurpose berths of Inner harbour includes 1.16mt of Alumina and about 0.42 MT of other liquids viz., Caustic Soda, Sulphuric and Phosphoric Acid, which were handled at WQ.5, EQ.6 and EQ.7 berths respectively.

3.2 Traffic Projections:

3.2.1 As per the projections assessed by the Port, the traffic through the Port is likely to touch 82.2 MTPA by 2011-2012.



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Traffic projections as per Working Group Report of the port sector

Estimated cargo throughput for 4 years i.e. upto 2011-12

(In million tonnes)

Cargo	2011 - 12	Cargo	2011 - 12
POL		Steel products and Pig iron	1.00
- Crude	15.00	Food grains including Soya	1.20
- LPG	1.00	Alumina & Caustic Soda	4.50
- POL products	8.00	RCL Cargo	1.40
- Transshipment	--	LAM Coke and other Coke	1.00
Sub-total	24.00	Others	7.60
Iron ore & Pellets	17.30 (1.60 Conv.)	Containers	
Coking coal	6.50	- Tonnage	7.20
Thermal coal	3.00	- TEUs	(0.60)
Steam coal	2.50		
Fertilizers	3.50	Grand Total	82.20
Fertilizers raw-materials (dry + liquid)	1.50	Assessed traffic at M.P.Bs	34.30

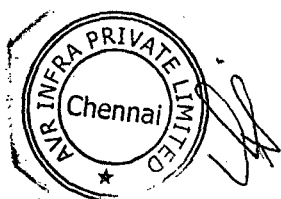
* (Excluding iron ore / POL / CFL cargo and Container cargo)

3.2.2 Traffic projections as per Sethusamudram Ship channel project report

In a recent project report prepared by M/s. L&T Rambol for assessing the feasibility of Sethusamudram Ship channel project, the following traffic projections have been indicated under moderate and optimistic scenario:

(In million tones)

Cargo	MODERATE				OPTIMISTIC			
	2009	2010	2011	2012	2009	2010	2011	2012
Iron ore	11.3	11.5	11.7	11.9	11.6	11.8	12.1	12.3
FRM	1.96	2.0	2.1	2.1	2.1	2.1	2.1	2.1
POL	29.6	31.3	33.1	34.9	31.6	33.6	35.7	37.9
Coal	16.1	17.2	18.3	19.4	17.3	18.6	19.9	21.2
Other cargo	9.1	9.6	10.2	10.7	9.9	10.5	11.1	11.8
TOTAL	68.06	71.6	75.4	79.0	72.5	76.6	80.9	85.3
(Excluding POL and Iron ore)	(27.16)	(28.8)	(30.6)	(32.2)	(29.3)	(31.2)	(33.1)	(35.1)



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3.2.3 Traffic projections as per N.M.D.P. (March, 2006)

In a recent report prepared by the Ministry for assessment of traffic to firm up the schemes under National Maritime Development programme, the following projections have been indicated in respect of Visakhapatnam Port for the year 2011-12.

(In million tonnes)

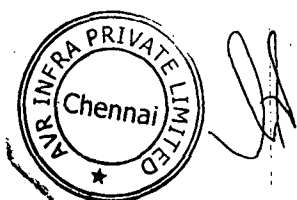
Commodity	Projections 2011-12
P.O.L.	20.00
Iron ore	22.00
Coal	12.00
Fertilisers and Raw materials	4.00
Steel	1.50
Food grains	1.00
Chemicals and other liquids	1.00
Other Cargoes	11.50
Container cargo	9.00 (0.75 TEUs)
TOTAL	82.00
Traffic excluding Iron ore, POL, CFL cargo and Container	34.70

3.3 Incremental Traffic

M/s. Ashok Leyland Ltd., the flagship company of the Hinduja group is setting up a 250,000 tonnes per annum bio-diesel manufacturing facility at Visakhapatnam Special Economic Zone, Duvvada, 25 acres of land has already been allotted at VSEZ for the purpose and the firm intends to commence construction of the plant from Jan. 2007. The proposed unit requires import of around 25000 tonnes of palm oil per month and export of same tonnage of bio-diesel. This means a monthly liquid cargo movement of 50,000 tonnes.

3.4 Incremental traffic

The present throughput of 28.79 M.T. at M.P.B's is expected to increase to 34.30 MT, as per the indications assessed by the Port and 35.10 MT as per the projections indicated in Sethusamudram Ship channel project.



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The incremental traffic at Multi-purpose berths under different scenarios are summarized below:
(In million tonnes)

Description	As per		
	NMDP	Sethusamudram Project report	V.P.T.
Projected traffic at MPB's by 2011-12 (Excluding Iron ore & POL, Container cargo & Other liquids)	34.70	35.1	34.30
Anticipated Incremental traffic	5.91	6.31	5.51

It is seen from the above that even based on the pessimistic scenario, the incremental traffic is 5.51 million tonnes. This increase is foreseen in respect of the following cargoes.
(Million tonnes)

Cargo	Present throughput (2007-08)	2011 - 12 (as per Working Group)
Alumina	1.16	4.00
Iron ore (At MPB)	4.82	1.60
Other Liquids:		
Caustic Soda	0.30	1.00
Chemicals & Other liquids (at MPB)	0.39	2.00
RCL cargo	1.09	1.40
Steel products	0.61	1.00
Fertilizers & raw dry (other than CFL)	3.44	5.00
Others	4.79	6.80
Coking Coal	7.46	6.50
Thermal & Steam coal	4.73	5.00
TOTAL	28.79	34.30

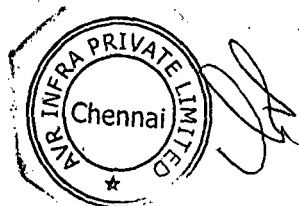
* As per Business Plan, incremental traffic is 36.60 MT.

As such to meet the demand as stated at 3.3, there is a need to construct one liquid cargo berth at Inner harbour to handle liquid cargo with pipeline facilities.

As such, an exclusive berth for liquid cargoes in inner harbour to meet the anticipated throughput, development of EQ-10 berth in inner harbour is envisaged.

Keeping in view the above, the following cargo profile has been considered for the berth.

Cargo	Quantity (In lakh tonnes)		
	1 st to 3 rd years	4 th year to 6 th year	7 th year onwards
Caustic soda	3.00	4.05	4.97
Bio-diesel	3.00	4.05	4.97
Edible oils	3.00	4.05	4.97
Chemicals	2.00	2.85	3.49
Total	11.00	15.00	18.40



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CHAPTER- 4

SITE INFORMATION

4.1 Climate and Meteorological conditions

a) Climate

The Climate of this region is governed by its location in the tropics and the monsoons. The climate of the southeast coast of Bay of Bengal is characterized by the recurring seasonal monsoons, which divide the year into four seasons as follows:

- The Northeast monsoon period is from the end of November to the end of February with predominantly northeasterly winds. Cyclones are frequent during November.
- The pre-monsoon period is from March to May, usually the beginning of the hottest period of the year, when the winds shifted in southwesterly direction, cyclones are frequent during May.
- Southwest monsoon period falls between May and October with predominantly Southwesterly winds, cloudy weather and frequent rains.
- The post-monsoon period is from the middle of October to the end of November with variable weather and witness's cyclones with relatively greater frequency.
- The climatic division is, of course, not absolute and there is some overlap between seasons.

b) Temperature

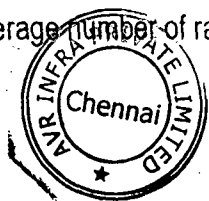
The annual mean maximum temperature is 30°C and the annual mean minimum temperature is 24.3°C. The highest temperature is recorded in May and June and the lowest in December and January. The highest temperature recorded was 38°C in May and the lowest temperature recorded was 24.3° in January for the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

c) Relative Humidity

The humidity is comparatively high and fairly uniform throughout the year. The annual mean value of daily relative humidity recorded varies from 72% to 76%. Highest recorded value is 81% and lowest recorded value is 64%.

d) Rainfall

The rainy season persists during the Southwest monsoon and also during Northeast monsoon. September and October are the wettest months of the year with an average rainfall of 167.3 mm and 259.3 mm respectively. The average annual rainfall is about 973.6 mm. and the average number of rainy days per year is 50.



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e) **Wind**

The predominant direction of wind is Southwest and Northeast, for most of the time. The maximum wind speed recorded is 110 KMPH.

f) **Cyclones**

Cyclones are common to occur in the Bay of Bengal.

Average number of cyclones occurring at Visakhapatnam is 3 to 4 per year. Cyclonic storms and depressions occur with greatest frequency is August, October and November generally.

g) **Visibility**

Visibility is good throughout the year as fog is infrequent at sea in all seasons. Reduction in visibility is mostly due to heavy rainfall during the Southwest monsoon. The highest monthly average duration recorded of fog is 0.1 day in some months from December to May.

4.2 **Oceanographic Data**

a) **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

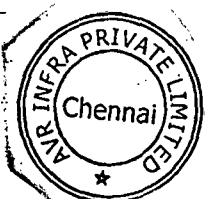
Note: During the 'tsunami' occurred in Dec. 2004 the max. & min. levels of sea water have varied between a max. of +3.0 m to a min. of -1.0 m.

b) **Waves**

Although waves of over 1.5M in height may occur, pre-dominantly in South-Westerly direction, for 22% of the time outside of the Outer Harbour, the location of the proposed extension is inside the Inner Harbour which is very well protected from waves outside of the Outer Harbour. Therefore, no wave disturbance is expected at the proposed site.

c) **Currents**

Currents in the Bay of Bengal are seasonal and are mainly due to South-West and North-East monsoons. From February to June offshore currents flow towards the North-East and from August to December towards South-West at velocities ranging from 0.5 to 1 knot in the Outer Harbour.

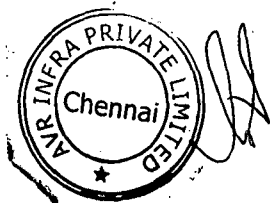


d) **Littoral Drift**

There is a strong littoral drift of sand northwards from March to September. Maximum amount of drift takes place from May to August when the waves are the highest. It is believed that the drift is largely confined to a zone within 200m of the shore and is within the 6m contour. The quantum of annual maintenance dredging carried out in 2005-2006 was 0.541 million cubic meters.

4.3 Geo-technical Conditions

The results of soil investigation carried out recently in the vicinity of the proposed EQ10 berth are enclosed as Annexure-1. Detailed soil investigations in the alignment of the berth, backup area and in dredging area are required to be carried out before finalization of detailed designs / taking up construction.



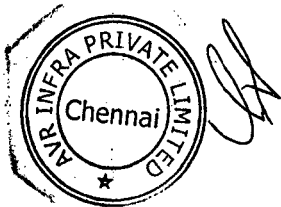
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CHAPTER-5

EVALUATION OF THE LAYOUT

Drawing no. VPT / 1 / 06 depicts the most suitable lay out for the proposed extension. This lay out gives maximum flexibility for accommodating 1 No of 120m LOA vessel at EQ.10 and beam width is to be considered while deciding the ship width is 32.50 m regardless of the vessel size. The berth is not having the backup area and hence this berth is proposed for handling liquid cargo such as caustic soda, edible oils and other liquid bulk cargo through pipeline from the berth to the storage area proposed at north of S4 conveyor. The land width available from the front edge of the proposed berth to the compound wall of M/s. VSPL the BOT operator for EQ-8 and EQ-9 berths is 13 m (approx.). The Concessionaire shall plan, design, construct, operate and maintain the berth within the available width of 13.0m. An area of 30,000 m² is identified near North of S4 conveyor for development of the receipt, storage and dispatch facilities and 3200 sq.m. for pipeline routing as shown in Drg.No.VPT / 2 / 06 enclosed. The General layout of VPT is also enclosed in Drg.No. VPT / 3 / 06.

The VPT's land required for the purposes as aforesaid for storage, receipt, dispatch, transportation etc., will be allotted as per the payment terms & other terms and conditions in force as per Govt. guidelines and land policy for allotment of land.



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CHAPTER-6

STUDY OF ALTERNATIVE BERTH DESIGNS

6.1 Alternative berth designs

Simultaneous with the development of the most suited layout for the extension to northern arm three alternative designs are studied for the proposed berth EQ.10

The existing ground level along the proposed berth and at their back up areas is around +3.5 offering excellent land based access for construction equipment without having resort either to a floating equipment or to that suitable for operations in tidal zone except for carrying out dredging both of which characterized a marine construction in the absence of land based access.

There is a considerable difference in cost as well as construction time between a land based construction and the marine construction. The land-based construction is less expensive and quicker. Therefore, the alternative construction work principally guided by the advantage by the site conditions and the emphasis focused on keeping the berth construction a land based operation.

Considering the loading and importance of the structure, as well as the geo-technical data available a system of RCC diaphragm with retaining structure and pile anchored & socketed deep enough into the hard rock is desirable, which is independent of the soil unlike the flexible type of structure which is entirely dependent on the soil conditions.

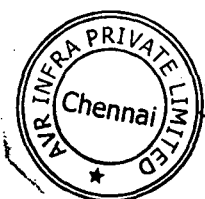
6.2. Basic Design Criteria

i) 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 Dec. 2004 the max. & Min. levels of seawater varied between a max. of +3.00 m and a min. of -1.00 m.



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ii) Water Depth at Berths

- (-)11.80 m. initially, (-)13.50m & (-)16.10m in phases in future.
- Berth shall be designed for a dredge depth of (-)16.10m below CD for accommodating 14.00m draft vessels.

iii) Berth Length:

- > The length of East quay-10 to be constructed is 100 m to accommodate 120 m LOA vessels. (A berth length of 60 m was already constructed by M/s. Vizag Sea Ports Limited, as shore protection to their berth EQ.9 will form part of the berth length of EQ.10. Thus a total berth length of 160 M. is available for EQ.10). In addition to the above, for retaining the dredged slope for a length of 50 M. return end is to be constructed.

iv) Back-up area of 30,000 m² near North of S4 conveyor and 3,200 sq.m. of land for pipeline.

v) Design surcharge load 5T/m²

vi) Unrestricted movement of 100T capacity crawler crane.

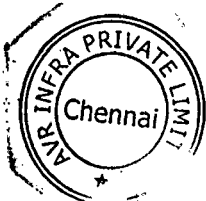
viii) All forces according to IS : 4651, commensurate with 50,000 DWT vessels.

6.3. Diaphragm wall with Anchor Diaphragm wall with front cast-in-situ bored piles.

This option envisages construction of front RCC Diaphragm wall, three rows of RCC Cast-in-situ bored piles and anchor diaphragm wall. This type of construction consists of 1000mm Ø RCC cast-in-situ bored piles and RCC retaining diaphragm wall of size 4000mm x 1000mm and anchor diaphragm wall of size 4000mm x 750mm @ 4.0m c/c. This wall is to be designed to withstand the imposed loads. This diaphragm wall is to be provided for 100m length. The front cast-in-situ bored piles are to be provided for 100m length of the berth and are to be spaced @4000mm. The piles, RCC retaining diaphragm wall is to be connected through RCC super structure, imparting considerable rigidity to the entire structure. The RCC deck structure shall consists for hollow RCC box frames filled with river sand connects diaphragm wall and the piles. The deck shall provide a suitable platform for the efficient operation of the material handling equipment. The sketch showing the part typical plan and cross section of alternative No.1 is enclosed (Drg.No:VPT / 4 / 2006).

6.4. Concrete T-Diaphragm wall with piled anchorage (Vertical and Racker piles)

This option envisages construction similar to that adopted in the construction of EQ7 berth. This types of structure consists of front RCC T-Diaphragm wall of size 3,000mm x 3000mm x 600mm panels T-shaped in the front face of the berth. This wall is to be designed to withstand the imposed forces. The diaphragm is to be constructed over a length of 100m. Two rows of RCC vertical of 850 Ø and racker piles of 700 Ø along the entire length of the berth structure are to be

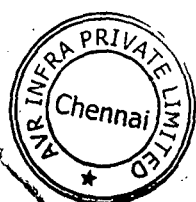


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provided at a spacing of 3m center to center in a staggered pattern in order to resist the pull from the piles and from the deck slab the deck structure shall consists of hollow cellular deck filled with sand. This type of structure will have considerable rigidity and as a result of the rigid tie back in the form of vertical and racker piles whatever small movement at the top level of the structure will be prevented. Because of the compressive forces in the raker piles considerable magnitude of the associated up-lift forces are to be expected in the vertical piles. These up-lift forces must be countered at worst by the contribution of only the dead load to the vertical piles and socketing into the hard rock to sufficient length and if found necessary sufficient pre-stressed rock anchoring of the vertical piles must be resorted to. The width of the platform shall be 22.5m to suit to the neighbouring berths. Pile rake of 1 in 2.5 and 1 in 3 are normally adopted with cast-in-situ bored type of construction due to ease of construction and less cost. The sketch showing the part plan and cross section of Alternative-II is enclosed (Drg.No: VPT / 5 / 2006).

6.5. Concrete Diaphragm wall with vertical piles and pre-stressed rock anchors.

This type of construction consists of front RCC 'T' diaphragm wall of side 3600mm x 3900mm x 600mm panels T-shape in the front face of the berth. This wall is to be designed to with stand the imposed forces. The diaphragm wall shall be constructed over a length of 100m. Two rows of RCC cast-in-situ bored vertical piles spaced at 3.6m center to center connected to the front RCC T-diaphragm wall through a RCC slab imparting considerable rigidity to the entire structure. As a result of the rigid tie back at the top front diaphragm wall is almost prevented from moving outward under the pressure of to retain soil. The RCC deck structure shall consist of hollow RCC box frames filled with river sand connects diaphragm wall and the piles. The deck shall provide a suitable platform for the efficient operation of the material handling equipment. The sketch showing the part plan and cross-section of Alternative-III is enclosed (Drg.No: VPT / 6 / 2006).



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6.6. Comparison of alternatives

The three technically acceptable design alternatives can be compared with respect to the cost of construction, time for construction and based on the technical superiority and environmental friendliness.

(Cost Rs. in Lakhs)

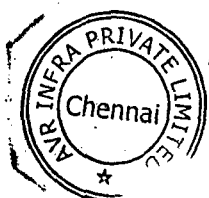
Options → Descriptions ↓	Vertical Pile and retaining diaphragm wall with anchor diaphragm wall (Alt -I)	T-diaphragm wall with vertical and raker piles (Alt -II)	T-Diaphragm wall with piles and rock anchors (Alt-III)
Dismantling of existing structures like compound wall, Road with C.C. Blocks	2.10	2.10	2.10
Construction of Berth (100m)	1340.07	1718.80	1490.52
Berth fixtures	23.58	23.58	23.58
Area Illumination & Water supply	27.49	27.49	27.49
Dredging	388.34	388.34	388.34
Ground improvement by pre-loading and installing the band drains	114.06	114.06	114.06
Sub-total =	1893.54	2274.37	2046.09
Contingencies @ 3%	56.81	68.23	61.38
Sub-total =	1950.35	2342.60	2108.47
Engineering Construction & supervision @ 5%	97.52	117.13	105.42
TOTAL =	2047.87	2459.73	2213.89
Total cost of EQ10 Berth (Rs.in crores)	20.48	24.60	22.14

The front T-diaphragm wall with combination of vertical and raker piles (Alt - II) is the most suitable for the proposed extension to the northern arm keeping in view similar soil conditions to that of EQ-7, method of execution, comparable cost with the other alternatives and established technically acceptable alternative for the soils existing in the vicinity and similar to the one adopted for EQ7 Berth and is operating successfully with equipment. For construction of the slope protection for retaining the dredged slope the structure proposed is enclosed as Drawing No. VPT / 7 / 2006, which is similar to the existing EQ-7 berth.

6.7. Conceptual planning and development of back up areas:

6.7.1. Conceptual planning:

The selection of type of handling again depends on the quantum of cargo handled through the berth. The backup area of EQ.10 berth will primarily be focused to handle liquid cargo such as caustic soda lye for import, Palm oil (import), Bio-diesel (export) and other liquid cargo. There is no



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back up area available adjacent to the berth. Hence, this berth is proposed for handling the liquid cargo through pipeline to the cargo storage area identified at North of S4 conveyor. There is a possibility of providing Railway siding in the storage area at North of S4 conveyor. The roads, general lighting, water supply, fire-fighting system etc., shall be developed as required for the berth. An extent of 30,000 sq. mtrs of land is identified for development of backup space & 3200 sq. mtrs of land for conveyor / pipeline corridor.

6.7.2 Development of back up area

(i) Dismantling

The following existing facility needs to be dismantled.

- a) Dismantling of compound wall of M/s. Vizag Seaports Pvt. Ltd.
- b) Dismantling of CC road.

(ii) General filling in back up area

At present the existing ground levels at the proposed site are at the elevations of about +3.5m CD and less. The back up area shown in the Drawing No. VPT / 2 / 06 at North of S4 conveyor will have to be raised to +4.00m with selected granular fill.

(iii) Peripheral road and lighting of roads

A double two-line road existing parallel to the S-4 conveyor and is converted to the back up area at North of S4 conveyor. Adequate lighting has to be provided to the back up area.

(iv) Customs Boundary

The proposed location of the berth area is provided with the customs boundary wall and customs offices with gates exist at WQ5 berth on southern end and at northern end of the proposed WQ8 berth.

(v) Lighting of berths

Suitable lighting arrangements shall be provided for the berth EQ.10 back up area identified at north of S4 conveyor 3 Nos. of 30m high masts with 400W high pressure sodium vapour flood light fixtures have to be provided to achieve an average lux level of 25 which is considered for such applications. The electrical load requirement will be to the order of 100KW, lighting loads would be by means of cables directly buried in the ground. Earthing in accordance



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with Indian Electricity rules and IS:3043 has to be provided for feeder pillars, high masts, cables, lands etc.

vi) Ground Improvement of Back up area

The ground is of low strength due to presence of very soft to soft clay layer extending upto thickness of the order of 20.0m. The loading of the ground in the present state would not only cause bearing capacity failure but also would be subjected to large uncontrolled settlements. As per the results of the soil investigations carried out at two locations, the initial shear strength of the clay layers varies from 1.0t/m² to 2.0t/m² only. Hence ground improvement with the preloading and use of vertical drains in the form of band drain shall be carried out, to achieve a bearing capacity upto 9.0t/m².

7. Dredging

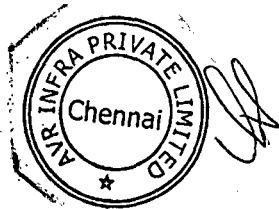
Since the construction of the EQ10 berth being the land based operation the dredging shall be commenced after completion of the construction of the front diaphragm wall, vertical racker piles and connected both with RCC deck. The initial dredging shall be restricted to (-) 11.80 m CD with a provision left in the design of the berth for further deepening to (-) 16.10m with an over dredging allowance. A copy of drawing No.1/1 dated 11.06.2007 showing the limits of dredging to be carried out under the scope of EQ-10 project is enclosed. As per the typical sub soil profile at the proposed site it is evident that only soft soil would be encountered while dredging within the range of the depth mentioned above and a suitable back hoe / grab dredger or standard cutter suction dredger would suffice for the purpose. The dredged material shall be disposed at the identified disposal ground in the open sea.

8. Storage area:

Area measuring 3 hectares has been identified for development of tank farms and 3200 sq. mtrs for pipeline / conveyor corridor.

9. Liquid Storage facilities:

M.S. Vertical cylindrical storage tanks are proposed for storing the liquid cargo. Six numbers of tanks of size 14.0 M. dia. and 20.0 M. height each can store about 3000 KL of liquid. Pile foundations are proposed for supporting the storage tanks. Necessary provision is made for pumping arrangement of liquid.



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The transfer operations of the liquid cargo from the berth to the tank terminal can be categorized into the following:

- Unloading from ship to the pipeline
- Pipeline transfer underground
- Loading from pipeline to tank terminal

Ship to Pipeline transfer:

The ships containing liquid cargo at the berth shall be connected with SS flexible hoses (which are electrically continuous) and the discharge is facilitated through ship's pumps. There are manifolds on the shore (at the berth) from where the hoses are connected to the ship's manifold for unloading purposes. The hoses are either 8" or 6" size. The liquid cargo in the ship shall be transferred to the pipeline at a transfer rate of about 300 tons/hr and the maximum pressure at the manifold end will be around 4 Kg/cm².

Pipeline Transfer:

The pipeline transfer of liquid cargo from the berth to the tank terminal is facilitated by means of one 12" and two 10" size dock lines, which are laid underground.

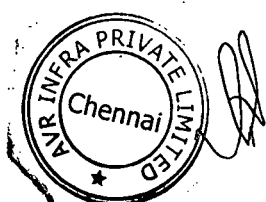
The rate of transfer of liquids through the 12" pipelines would be 350 -- 400 tonnes / hr while for the 10" pipelines it would be 300 -- 350 tonnes / hr at a normal operating pressure of 4 -- 5 Kg/cm².

Pipeline to tank terminal transfer:

The 10" and 12" dock lines originating at the manifold at the berth and terminating at the tank terminal are connected to the 8" internal pipelines (running to and fro from the tanks) through the flexible hoses of 8" diameter. Only one pipeline would transfer the liquid cargo at a point in time.

One 2-inch diameter freshwater pipeline and one 1.5-inch diameter nitrogen purging line are provided for cleaning and purging of the pipelines and to enable the collection of washings at the installation end.

Pig launchers are available at the ship's manifold end for each of the dock lines and a pig receiver is available at the terminal manifold end. These are to be used for cleaning the pipelines after every loading operation.



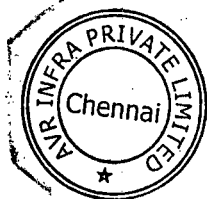
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CHAPTER - 7

PROJECT DESCRIPTION

Berth length	160m (including 60.0 M. length already constructed along with EQ-9 berth)
Size of vessel	120m LOA, and beam width is to be considered while deciding the ship width is 32.50 m regardless of the vessel size.
Dredge depth	(-)11.80m initially, (-)13.50m & (-)16.10m in phases in future.
Back up area	Backup area of 30,000m ² near North of S4 conveyor and ground to be improved to bearing capacity upto 9T/sq.m. and 3,200 sq.m. of land for pipeline.
Surcharge load	5T / Sq.m.
Type of construction (Suggested) Illumination	T-Diaphragm wall with vertical and racker piles. Sufficient (30m high mast towers on average lux level of 25)
Road and rail connectivity	Adequate road facilities and providing of Railway lines to and in the storage area identified near North of S4 conveyor is found feasible for accommodating half rake of wagons.



CHAPTER-8

CAPITAL COST ESTIMATES AND IMPLEMENTATION SCHEDULE

8.1 The capital cost of the project is estimated at Rs.55.38 crores, the details of which are given below.

		(Rupees in Lakhs)
Descriptions ↓	Options →	T-diaphragm wall with vertical and racker piles
Dismantling of existing structures like compound wall, road with C.C. blocks		2.10
Construction of Berth (100 M.)		1718.80
Berth fixtures		23.58
Area illumination & Water supply		27.49
Dredging		388.34
Ground improvement by pre-loading and installing the band drains		114.06
		2274.37
Contingencies @ 3%		68.23
		2342.60
Engineering Construction & supervision @ 5%		117.13
		2459.73
Total cost of EQ.10 berth in crores		24.60
Cost of return end (50 m. long 15.50 m wide as per EQ.7 option)		6.96
	Sub-total	31.58
Up front fee (Cost of 60 M. length already constructed)		5.85
M.S. Vertical cylindrical Storage Tanks		14.43
Fire Fighting		0.80
Dock lines from berth to terminal		0.80
Civil works for receipt, Storage and dispatch facilities (loading and unloading equipment and flexible hoses.)		1.00
		54.44
Add 5% as miscellaneous on capital cost of cargo handling activity i.e. civil and equipment cost		0.94
	Grand Total	55.38

8.1 The cost of civil works is estimated on the basis of the available in house data and using the Port Schedule of Rates 2008 and prevailing market rates with suitable adjustments for comparable works.

8.2 Implementation schedule

The construction of the berth EQ.10 can be completed in 18-months period from the date of award of the work. The 18 months time period includes contract management, detailed engineering and execution of work.



8.3 Project Management Consultancy:

For evaluation of the RFQ and RFP, and concession agreement, it is proposed to engage Project Management Consultants.

8.4 Upfront fee:

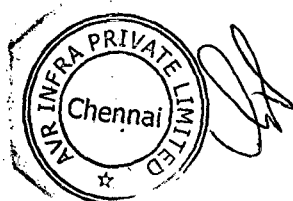
Cost of 60 m. length already constructed along with EQ.9 berth by the BOT Operator, which would become part of the proposed EQ.10 berth in addition to the berth length of 100 mtrs.	Rs.5.85 crores
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8.5 Land rentals for back up area 30,000 sq. mtrs

Land for pipeline 3,200 sq.mtrs

Annual lease rental basis:

- 1 year rent as premium : Rs.0.34 crores
- 1 year rent as advance : Rs.0.34 crores
- 5 year rent as Security deposit : Rs. 1.70 crores
in the form of Bank guarantee
- 2% escalation every year on land rentals
- Refixation of land valuation for every 5 years by District Revenue Authorities and as approved by TAMP.



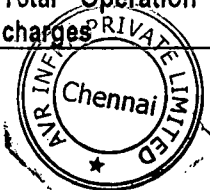
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CHAPTER – 9

OPERATION AND MAINTENANCE COST

The annual operation and maintenance expenditure for operating and maintaining the berthing facilities by the BOT operator is estimated as per the guidelines issued by TAMP vide Gazette notification No.27 dated 26.02.2008 for upfront tariff setting for PPP projects at Major Port Trusts and approved by TAMP vide Gazette notification No.21 dated 24.02.2009 is estimated at Rs.5.56 crores.

Sl. No.	Particulars	Capital Cost	O & M Cost Per annum	Basis
		(Rs. in Crores)		
1	Repairs and Maintenance			
1.1	Civil Assets			1% of the capital cost of civil assets
	a) Cost of construction of Berth & upfront fee	24.58	0.25	
	b) Cost of return end	6.96	0.07	
	a) Berth Apron & approach	0.14	--	
	b) Storage Yard	1.23	0.01	
	c) Tankages	14.43	0.15	
	d) Buildings, Water Supply, sewage etc.	0.16	--	
1.2	Mechanical Equipment			2% of the capital cost of mechanical and electrical equipment.
	a) Marine loading / Unloading equipment / Flexible Hoses.	1.00	0.02	
	b) Pipe lines	0.80	0.01	
	c) Fire fighting equipment	0.80	0.02	
	d) Power and lighting, communication	0.14	--	
	Total Repair and Maintenance		0.53	
2	Power and Fuel cost		0.45	2.4 lakh units/ annum/ hectare X 3 hectares @ Rs.6.20 ps.
3	Insurance			1% of gross fixed assets
	a) Civil assets	16.76	0.17	
	b) Mechanical and electrical assets	2.88	0.03	
	c) Cost of construction of berth, Return end & upfront fee	31.54	0.32	
4	Depreciation		3.52	As per Companies Act, 1956
5	License fees		0.34	As per DRA rates existing
6	Other expenses on Civil & Mech.	19.68	0.20	1% of gross fixed assets.
	Total Operation and maintenance charges		5.56	



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CHAPTER – 10

ANNUAL REVENUE EARNINGS AND VIABILITY ANALYSIS

10.1 The cargo profile considered for the berth is as below.

Cargo	Quantity (in lakh tonnes)		
	1 st to 3 rd years	4 th year to 6 th year	7 th year onwards
Caustic soda	3.00	4.05	4.97
Bio-diesel	3.00	4.05	4.97
Edible oils	3.00	4.05	4.97
Chemicals	2.00	2.85	3.49
Total	11.00	15.00	18.40

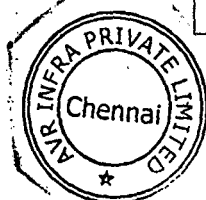
10.2 ESTIMATION OF REVENUE

The estimated revenue on account of berth hire and handling charges (include cargo loading or unloading charges as the case may be, transportation through pipelines and storage charges for storing in tanks and wharfage) to be accrued on the proposed facility based on the upfront tariff approved by the TAMP for liquid cargo and chemicals and notified vide Gazette notification No. 21 dated 24.02.2009 and with an escalation of 5.46% on tariff approved basing on 60% variation on WPI as communicated by TAMP vide their letter dated 31.03.2009 is anticipated at Rs.9.13 crores per annum for 1st year to 3rd years, Rs.12.42 crores per annum for 4th year to 6th year and Rs.15.22 crores from 7th year onwards based on the anticipated throughput of 1.1MTPA, 1.5 MTPA and 1.84 MTPA respectively is presented below.

Revenue estimation for 1st year to 3rd year:

Parameters considered:

Particulars	Caustic soda	Bio-diesel	Edible oils	Chemicals
Throughput (tonnes)	300000	300000	300000	200000
GRT	10300	10000	8400	13700
Parcel size (tonnes)	8600	8600	8400	6300
Handling rate (tonnes)	7200	7200	7200	7200
No. of berth days	42	42	42	28
GRT hours	10382400	10080000	8467200	9206400



Revenue estimation

(Rs. in lakhs)

Cargo	HANDLING CHARGES	BERTH HIRE
Caustic soda (foreign)	43.14 (1.20 lakh tonnes X Rs. 35.95 per ton)	59.20 (46.62 X Rs. 1.27 ps)
Caustic soda (coastal)	38.88 (1.80 lakh tonnes X Rs. 21.60 per ton)	43.47 (57.20 X Rs. 0.76 ps)
Bio-diesel	107.85 (3 lakh tonnes X Rs. 35.95 per ton)	128.17 (100.80 X Rs. 1.27 ps)
Edible oils	107.85 (3 lakh tonnes X Rs. 35.95 per ton)	107.53 (84.67 X Rs. 1.27 ps)
Chemicals	71.90 (2 lakh tonnes X Rs. 35.95 per ton)	116.92 (92.06 X Rs. 1.27 ps)
TOTAL	369.62	455.29
STORAGE CHARGES (Rs. 7.50 X 50% of 11 LT)		41.25
TOTAL		866.16
Add annual escalation of 5.46%		47.29
TOTAL REVENUE		913.45

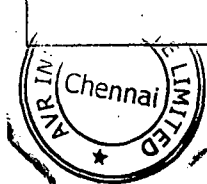
Revenue estimation for 3rd year to 6th year:
Parameters considered:

Particulars	Caustic soda	Bio-diesel	Edible oils	Chemicals
Throughput (tonnes)	405000	405000	405000	285000
GRT	10300	10000	8400	13700
Parcel size (tonnes)	8600	8600	8400	6300
Handling rate (tonnes)	7200	7200	7200	7200
No. of berth days	56	56	56	40
GRT hours	13843200	13440000	11289600	13152000

Revenue estimation:

(Rs. in lakhs)

Cargo	HANDLING CHARGES	BERTH HIRE
Caustic soda (foreign)	58.24 (1.62 lakh tonnes X Rs. 35.95 per ton)	77.27 (60.84 X Rs. 1.27 ps)
Caustic soda (coastal)	52.49 (2.43 lakh tonnes X Rs. 21.60 per ton)	58.97 (77.59 X Rs. 0.76 ps)
Bio-diesel	145.60 (4.05 lakh tonnes X Rs. 35.95 per ton)	170.69 (134.40 X Rs. 1.27 ps)
Edible oils	145.60 (4.05 lakh tonnes X Rs. 35.95 per ton)	143.38 (112.90 X Rs. 1.27 ps)
Chemicals	102.46 (2.85 lakh tonnes X Rs. 35.95 per ton)	167.00 (131.50 X Rs. 1.27 ps)
TOTAL	504.39	617.31
STORAGE CHARGES (Rs. 7.50 X 50% of 15 LT)		56.25
TOTAL		1177.95
Add annual escalation of 5.46%		64.31
TOTAL REVENUE		1242.26



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Revenue estimation for 7th year onwards:

Parameters considered:

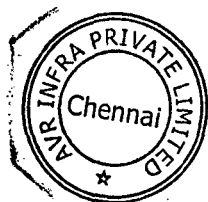
Particulars	Caustic soda	Bio-diesel	Edible oils	Chemicals
Throughput (tonnes)	497000	497000	497000	349000
GRT	10300	10000	8400	13700
Parcel size (tonnes)	8600	8600	8400	6300
Handling rate (tonnes)	7200	7200	7200	7200
No. of berth days	69	69	69	48
GRT hours	17056800	16560000	13910400	15782400

Revenue estimation:

(Rs. in lakhs)

Cargo	HANDLING CHARGES	BERTH HIRE
Caustic soda (foreign)	71.54 (1.99 lakh tonnes X Rs. 35.95 per ton)	96.01 (75.60 X Rs. 1.27 ps)
Caustic soda (coastal)	64.15 (2.97 lakh tonnes X Rs. 21.60 per ton)	72.17 (94.96 X Rs. 0.76 ps)
Bio-diesel	178.67 (4.97 lakh tonnes X Rs. 35.95 per ton)	210.31 (165.60 X Rs. 1.27 ps)
Edible oils	178.67 (4.97 lakh tonnes X Rs. 35.95 per ton)	176.66 (139.10 X Rs. 1.27 ps)
Chemicals	125.83 (3.50 lakh tonnes X Rs. 35.95 per ton)	200.43 (157.82 X Rs. 1.27 ps)
TOTAL	618.86	755.58
STORAGE CHARGES (Rs. 7.50 X 50% of 18.4 LT)		69.00
TOTAL		1443.44
Add annual escalation of 5.46%		78.81
TOTAL REVENUE		1522.25

The financial viability has been worked out considering the capital costs of the berth, operations and maintenance cost and the revenue on account of berth hire and handling charges have been arrived as above, with a time horizon of 30 years from the commencement of the construction period of the berth. Based on discounted cash flow analysis the IRR is 14.30%. Details are at **Appendix-I**.



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CHAPTER -11

ENVIRONMENTAL ASPECT

11.1 General:

Environmental pollution possibilities due to development of EQ-10 berth for handling caustic soda lye, edible oils and other liquid cargo has been considered in this chapter.

The project proposes to handle caustic soda lye in liquid form, edible oils and other liquid cargo and will be stored in the storage tanks in the area identified at North of S-4 conveyor adjacent to M/s IMC. Necessary protective measures such as construction of dykes encircling the storage tanks, and drains along the perimeter of the dykes shall be implemented to contain any accidental spillage caused by leakage of tanks to prevent escape to inhabited areas, and also to prevent percolation into the ground.

Necessary running water pipelines along the caustic soda pipeline with tap offs and at every 30 mtrs a high pressure spout shower shall be provided to mitigate level of injury to personnel due to accidental contact with caustic soda etc.

Any other environmental protective and mitigative measures as required for handling the proposed liquid cargo, shall be implemented to ensure adherence to the environmental compliance.



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DISASTER RISK REDUCTION/MITIGATION

This section focuses on natural disasters viz. floods, earthquakes, cyclones and landslides that may impact on the project and the physical and regulatory measures to be taken based on design and engineering/technology so as to prevent or mitigate the effect of such disasters including the possible impact the project may have on the population or the environs.

A risk assessment is to be conducted which includes: identification of different types of risks to which the project area is vulnerable, probable vulnerability of the project components, description of the risk; risk analysis based on likelihood and consequences; and evaluation of risk for prioritization. Identification will also be done of local land-use management directives, legislations, building codes and building-use regulations compliance to which will prevent/mitigate the identified risks. Risk treatments (engineering and non-engineering options) based on an objective criteria will be identified and prioritized and included within the budget.

Check list for Natural Disaster Impact Assessment:

Name of the Project: State: **ANDHRA**

PRADESH

District: **VISAKHAPATNAM**

Project Estimate Rs. 5538.00 (Lakhs)

1. Siting of the Project

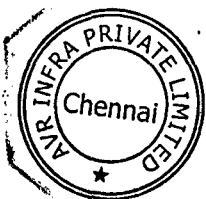
1.1 Location of Project site

- Latitude: **17°42'N**
- Longitude: **83°18'E**
- Height above mean sea level : **+3.5m CD and less**

1.2 Earthquake Zone (Any known geological fault near by may be listed): **Zone-II**

1.3 Flood Proneness & Vulnerability: **Not Applicable since the structure is adjacent to sea.**

- Past history of floods in the area
- Observed Highest flood level
- Frequency of flooding
- Depth of flooding
- Duration of flooding
- Damage/loss (maximum, average, potential)



1.4 Cyclone Proneness (If close to sea coast) & Vulnerability:

- Frequency and Intensity: **3 to 4 in a year.**
- Wind speed zone - information on highest wind speed: **110 Kmph**
- Distance of site from sea coast: **2.5 Km**
- Record of past storm surge: **2.5 to 3.0 m**

1.5 Landslide Proneness & Vulnerability: **Not applicable**

- Location of Hill slope vis-à-vis the project's location
- Past history of landslides, .
- Possibility of mud flows/rock falls/snow avalanches etc.

1.6 Tsunami proneness (If close to sea coast) & Vulnerability: **Previous experience is only rise in water level for few feet height.**

- Past history : **December 2004**

1.7 Existence of Dams or Barrages upstream: **No such structures exist.**

- Distance from the project. Was dam breach effect considered on the project?
- If so, have the dam break analyses been carried out? Has their impact on safety of the project been evaluated?

2 Nature/Type of Project

2.1 All the projects of the nature/type mentioned below are liable to damage by natural disasters and inadequacies of design or any of their components is likely to accentuate the vulnerability of the area to the disasters and/ or lead to rise in damage/loss to lives, property, livelihood systems environment,

- Communications: towers, lines, building
- Transportation: Roads, Railways, Bridges, Tunnels
- Power: Power houses, sub stations, power lines
- Water Resources: Dams, barrages, appurtenant structures, river training structures, Canals
- Habitations: townships- planning from the point of view of safety against hazards
- Water supply and sanitation projects including water supply and sewer lines

All the above sectors are not Applicable in the present case

- Ports & Harbors : **Subject EQ-10 Berth and related project facilities will be designed for design wind and earth quake forces as per standards.**

- Building projects **Not Applicable in the present case**
- Any other **Not Applicable in the present case**

3. Hazards Risk to the Project

Have the following been evaluated:

- Probable maximum seismicity at site and site dependant seismic design parameters
- Probable Maximum storm surge,:
- Probable Maximum wind speed:



- Probable Maximum precipitation:
- Probable maximum flood discharge and level
- Probability of occurrence of floods, earthquakes, land slides, mud flows, avalanches, cyclones, tsunamis
- Soil liquefaction proneness under probable earthquake intensities

ANS : YES, Evaluated. The structures will be designed for the above severe conditions and evaluation done during design stage.

4. Mitigation/ Reduction of Risk:

4.1 There are specific codes, manuals, guidelines etc. developed by Bureau of Indian Standards, NDMA, and concerned organizations for siting, design, construction and maintenance of various type of infrastructures. Indicative and not exhaustive list of some of them is at Annex-1.

4.2. Have the relevant BIS codes and guidelines been complied with?

ANS: YES.

4.3. Have adequate safeguards to meet the risks of natural hazards as evaluated at para 3 above, been adopted?

ANS: YES

5. Impact of the Project on the Environs and the People

Has the impact of the project on the environment and the people been studied with the respect to the following and what mitigation measures have been adopted? An illustrative but not exhaustive list of scenarios are given below:

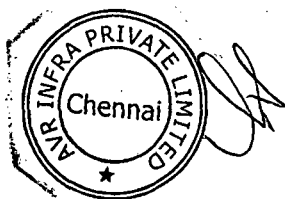
5.1 The earthquakes and landslides may damage the pipelines to transport and storages to store harmful and inflammable materials and gases in the project area. Has any study been made to asses the danger to the environment and the people posed by those occurrences? And if so what measures have been proposed?

ANS: 1)YES. 2)The applicable earthquake parameters will be considered during the design stage

5.2 The railway lines and roads run across the drainage lines and if adequate waterways at appropriate locations are not provided, It may result in rise in water level and drainage congestion in up- stream areas. Has this aspect been studied and if so, what mitigation measures have been proposed?

ANS: No such scenario exists.

5.3 Land- slides triggered by earthquakes as well as due to inherent instability of slopes accentuated by rains may lead to blockage of drainage channels and accumulation of water up-stream. These blockages may collapse due to their inherent



instability or added by rains. Men, machines and explosives can also be used to remove blockages and reduce flooding upstream. These lead to sudden release of water and flooding and erosion in down-stream areas. It may be stated whether any study has been carried out in this regard and what mitigation measures have been proposed?

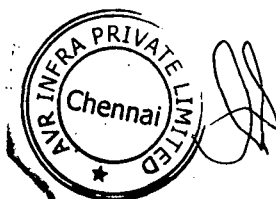
ANS: No such scenario exists.

5.4 As all the projects involve acquisition of land and influx of large number of people in the area to take up construction activities, it may result in deforestation and soil erosion. Measures for prevention of deforestation and arresting soil erosion are required to be taken. It may be stated whether any study has been carried out in this regard and what mitigation measures have been proposed?

ANS: No such scenario exists since the berth development is within Dock area of the Operating Port.

5.5 If the project involves storage of water, failure of any component may cause flooding and large scale damage to lives, property and infrastructure etc. Please state whether any study has been made and if there is a possibility thereof, what measures have been proposed to meet the eventuality?

ANS: No such scenario exists.



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LIST OF CODES/GUIDELINES FOR SAFETY OF BUILDINGS/STRUCTURES FROM NATURAL HAZARDS

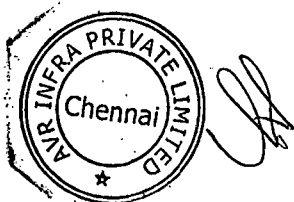
As these codes and guidelines are being updated from time to time by different Institutions/organizations therefore the latest updated version shall be refereed at the time of conceiving a project. List has been attempted which may not be complete.

I For General Structural Safety

1. BIS National Buildings Code 2005
2. IS: 456:2000 "Code of Practice for Plain and Reinforced Concrete.
3. IS: 800-1984 "Code of Practice for General Construction in Steel
4. IS: 801-1975 "Code of Practice for Use of Cold Formed Light Gauge Steel Structural Members in General Building Construction
5. IS 875 (Part 2):1987Design loads (other than earthquake) for buildings and structures Part2 Imposed Loads
6. IS 875 (Part 4):1987Design loads (other than earthquake) for buildings and structures Part 4 Snow Loads
7. IS 875 (Part 5):1987Design loads (other than earthquake) for buildings and structures Part 5 special loads and load combination
8. IS: 883:1966 "Code of Practice for Design of Structural Timber in Buildings
9. IS: 1904:1987 "Code of Practice for Structural Safety of Buildings: Foundation's
10. IS1905:1987 "Code of Practice for Structural Safety of Buildings: Masonry Walls
11. IS 2911 (Part 1): Section 1: 1979 "Code of Practice for Design and Construction of Pile Foundation Section 1
Part 1: Section 2 Based Cast-in-situ Piles
Part 1: Section 3 Driven Precast Concrete Piles Part 1: Section 4 Based precast Concrete Piles Part 2: Timber Piles
Part 3 Under Reamed Piles
Part 4 Load Test on Piles

II Protection from Cyclones/Wind Storms

12. IS 875 (3)-1987 "Code of Practice for Design Loads (other than Earthquake) for Buildings and Structures, Part 3, Wind Loads"
13. IS:2911 – 1973 "Guideline for construction of cyclone shelters".
14. IS: 15498 – 2004 "Guidelines for improving the cyclonic resistance of low rise houses & other building/structures.
15. Guidelines (Based on IS 875 (3)-1987) for improving the Cyclonic Resistance of Low rise houses and other building.



III For Earthquake Protection

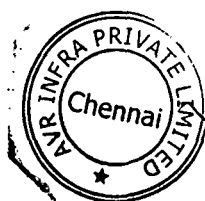
16. IS: 1893-2002 "Criteria for Earthquake Resistant Design of Structures (Fifth Revision)"
17. IS:13920-1993 "Ductile Detailing of Reinforced Concrete Structures subjected to Seismic Forces - Code of Practice"
18. IS:4326-1993 "Earthquake Resistant Design and Construction of Buildings - Code of Practice (Second Revision)"
19. IS:13828-1993 "Improving Earthquake Resistance of Low Strength Masonry Buildings - Guidelines"
20. IS:13827-1993 "Improving Earthquake Resistance of Earthen Buildings - Guidelines".
21. IS:13935-1993 "Repair and Seismic Strengthening of Buildings - Guidelines"

IV Flood Management/ River Valley Projects

22. IS: 4189 -1985 "Guide for preparation of project report for river valley projects".
23. IS: 4410 (Part 3): 1988 "Glossary of terms relating to river valley projects: Part 3 River and river training".
24. IS:4410 (Part 11): Sec 5 -1977 "Glossary of terms relation to river valley projects: Part 11 Hydrology Section 5 Floods".
25. IS:4410 (Part 21): 1987 "Glossary of terms relating to river valley projects :Part 21 Flood control".
26. IS:11532 - 1995 "Construction and maintenance of river embankments (levees)- Guidelines"
27. IS: 12094 – 2000 "Guidelines for Planning and Design of River Embankments (Levees)".
28. IS: 14262 - 1995 "Planning and design of revetments- Guidelines".
29. IS: 5477 (Part 4): 1971 "Methods for Fixing the capacities or reservoirs: Part 4 Flood storage".
30. IS: 7323 – 1994 "Operation of Reservoirs – Guidelines".
31. IS: 8408 -1994 "Planning and design of groynes in alluvial river – Guidelines".
32. IS: 14815 – 2000 "Design Flood for River Diversion Works- Guidelines".

V Landslide Hazard

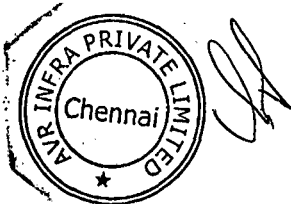
33. IS:14458 (Part 1): 1998 Guidelines for retaining wall for hill area: Part 1 Selection of type of wall.
34. IS:14458 (Part 2): 1997 Guidelines for retaining wall for hill area: Part 2 Design of retaining/ breast walls
35. IS:14458 (Part 3): 1998 Guidelines for retaining wall for hill area: Part 3 Construction of dry stone walls
36. IS:14496 (Part 2): 1998 Guidelines for preparation of landslide – Hazard Zonation maps in mountainous terrains: Part 2 Macro-Zonation.
37. IS: 14680: 1999 Guidelines for land slide control
38. IS: 14948: Code of practice for Reinforcement of Rock Slopes with plain edge of failure
39. BIS 12023: Code of Practice for Field Monitoring and Movement of Structures using Tape Extensometer
40. BIS: 14804: Guidelines for Siting, Design and selection of materials for Residential Building in Hilly Areas



437
420

VI For Protection of Saline Embankments and Coastal Canals

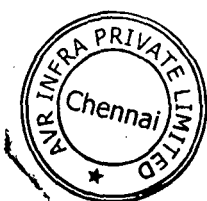
41. IS:8835 – 1978 "Feasibility study and preparation of preliminary project report".
42. IS: 10635 – 1993 (reaffirmed 2003) "Freeboard requirements in embankments and dams".
43. IS:12169 – 1987 – "Criteria for design of small embankment dams".
44. IS: 8835-1978: Feasibility study, preparation of
45. IS:12094-1978: Preliminary Project Report
46. IS: 10635-1993 (reaffirmed 2003): Freeboard requirements in embankments and dams
47. IS: 11532-1995 (reaffirmed 2005): Construction and maintenance of river embankments
48. IS: 12094-2000 (reaffirmed 2005): Planning and design of river embankment
49. IS: 12169-1987: Criteria for design of small embankments dams



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LIST OF INDIAN ROAD CONGRESS (IRC) CODES/MANUALS

1. IRC: 5-1998 (Seventh Revision) - "Standard specifications and Code of practice for Road Bridges, Section 1- General features of Design".
2. IRC: 10-1961 - "Recommended Practice for Borrow pits for Road Embankments Constructed by Manual Operation".
3. IRC: 34-1970 - "Recommendations for Road Construction in Waterlogged Area".
4. IRC: 36-1970 - "Recommended Practice for the Construction of Earth Embankments for Road Works".
5. IRC: 45-1972 - "Recommendations for Estimating the Resistance of Soil Below the Maximum Scour Level in the Design of Well Foundations of Bridges".
6. IRC: 52-2001 (Second revision) - "Recommendations about the Alignment Survey and Geometric Design of Hill Roads".
7. IRC: 56-1974 - "Recommended Practice for Treatment of Embankment Slopes for Erosion Control".
8. IRC: 75-1979 - "Guidelines for the Design of High Embankments".
9. IRC: 78-2000 (Second Revision) - "Standard specifications and Code of practice for road, bridges, Section VII - Foundations and substructure".
10. IRC: 89-1997 (First Revision) - "Guidelines for Design and Construction of River Training and Control Works for Road Bridges".
11. IRC: 104-1988 - "Guidelines for Environmental Impact Assessment of Highway Projects".
12. IRC: SP: 13-2004 (First Revision) - "Guidelines for the Design of Small Bridges and Culverts".
13. IRC: SP: 35-1990 - "Guidelines for Inspection and Maintenance of Bridges".
14. IRC: SP: 42-1994 - "Guidelines on Road Drainage".
15. IRC: SP: 50-1999 - "Guidelines of Urban Drainage".
16. IRC: SP: 54-2000 - "Project preparation Manual for Bridges".
17. IRC: 6 - 2000 - "Standard specifications and code of practice for road bridges - section: II Loads & stresses".
18. IRC: SP: 57-2001 - "Guidelines for quality systems for road construction".
19. IRC: 28-1967 - "Recommendation of road construction in water logged areas".
20. IRC: SP: 26-1984 - "Project preparation manual for bridges".
21. IRC: 87-1984 - "Guidelines for design and erection".
22. IRC: 21-2000 - "Standard specification and codes for roads and bridges".
23. IRC: SP: 20-2002 - "Rural roads".
24. MORT & H Pocket Book for Highway Engineers, 2002 (Second Revision)
25. IRC: SP33:1989 Guidelines on Supplemental Measures for Design, Detailing & Durability of Important Bridge Structures.

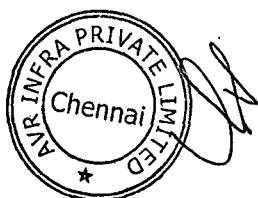


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RAILWAY CODES & MANUALS - RDSO PUBLICATIONS

1. RBF-20: "Estimation of design discharge based on regional flood frequency approach for sub-zones 3(a), 3 (b), 3 (c) & 3 (e)".
2. RBF-22: "50 year 24 hour set of isopluvial maps of India maps of short duration ratios".
3. RBF- 23: "Validation of flood estimation report No. UNT-7-1983 for sub-zone- 3 (f)".
4. RBF-24: "Validation of flood estimation report No. 3/1980 for sub-zone-3 (f)".
5. RBF-25: "Estimation of design discharge based on regional flood frequency approach for sub- zone - 3 (f)".
6. RBF-26: "Validation of flood estimation report No. UGP -9-1984 for sub-zone-1 (e)".
7. RBF-27: "Validation of design discharge based on regional flood frequency approach for sub-zone- 3 (e)".
8. RBF -28: "Estimation of design discharge based on regional flood frequency approach for sub-zone-3 (i)".
9. RBF-29: "Estimation of design discharge based on regional flood frequency approach of sub-zone-3 (b)".
10. RBF-32: "Validation of flood estimation report no.c/16/1988 Subzone -1 (b) (chambal basin)".
11. RBF-33: "Estimation of design discharge based on regional flood frequency approach for sub- zone-1 (d) (sone basin)".
12. RBF-34: "Validation of flood estimation report no.S/15/1987 sub-zone-1 (d) (sone basin)".
13. GE-1: "Guidelines- Erosion control on slopes of banks and cuttings".
14. GE-6: "Guidelines for earthwork in conversion projects".



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APPENDIX-I

CALCULATION OF FIRR FOR EQ-10

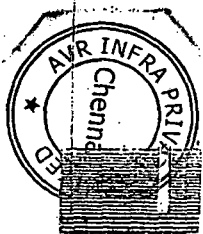
(Rs. in crores)

YEAR	CAPITAL COST	REVENUE			TOTAL REVENUE	OP& MAINT.	NET BENEFITS	NET CASH INFLOW
		HAND LING	BERTH HIRE	STORAGE CHARGES				
1	36.92				0.00		0.00	-36.92
2	18.46				0.00		0.00	-18.46
3		3.90	4.80	0.43	9.13	2.04	7.09	7.09
4		3.90	4.80	0.43	9.13	2.04	7.09	7.09
5		3.90	4.80	0.43	9.13	2.04	7.09	7.09
6		5.32	6.51	0.59	12.42	2.04	10.38	10.38
7		5.32	6.51	0.59	12.42	2.04	10.38	10.38
8		5.32	6.51	0.59	12.42	2.04	10.38	10.38
9	18.03	6.52	7.97	0.73	15.22	2.04	13.18	-4.85
10		6.52	7.97	0.73	15.22	2.04	13.18	13.18
11		6.52	7.97	0.73	15.22	2.04	13.18	13.18
12		6.52	7.97	0.73	15.22	2.04	13.18	13.18
13		6.52	7.97	0.73	15.22	2.04	13.18	13.18
14		6.52	7.97	0.73	15.22	2.04	13.18	13.18
15		6.52	7.97	0.73	15.22	2.04	13.18	13.18
16	18.03	6.52	7.97	0.73	15.22	2.04	13.18	-4.85
17		6.52	7.97	0.73	15.22	2.04	13.18	13.18
18		6.52	7.97	0.73	15.22	2.04	13.18	13.18
19		6.52	7.97	0.73	15.22	2.04	13.18	13.18
20		6.52	7.97	0.73	15.22	2.04	13.18	13.18
21		6.52	7.97	0.73	15.22	2.04	13.18	13.18
22		6.52	7.97	0.73	15.22	2.04	13.18	13.18
23	18.03	6.52	7.97	0.73	15.22	2.04	13.18	-4.85
24		6.52	7.97	0.73	15.22	2.04	13.18	13.18
25		6.52	7.97	0.73	15.22	2.04	13.18	13.18
26		6.52	7.97	0.73	15.22	2.04	13.18	13.18
27		6.52	7.97	0.73	15.22	2.04	13.18	13.18
28		6.52	7.97	0.73	15.22	2.04	13.18	13.18
29		6.52	7.97	0.73	15.22	2.04	13.18	13.18
30		6.52	7.97	0.73	15.22	2.04	13.18	13.18
Total	109.47	171.10	209.27	19.12	399.49	57.12	NPV @12%	9.96
IRR								14.30%



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J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project
Location
Bore hole
Ground Water Table

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
: Adjacent to EQ-9 Berth
: LBH-1
: 2.10m (i.e) at RL +0.50

Date of Commencement : 11-07-07

Date of completion : 14-07-07

Ground RL : +2.60

BORELOG

Ground RL.		Depth below G.L. (m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+2.60		0.00		Filled up soil	3.50	DS-1 SPT-1 DS-2 SPT-2	+1.10 -1.40	1.50 4.00									
-0.90	-0.90	3.50	3.50														
				Grayish / Blackish soft clay	12.50	SPT-1 DS-2 SPT-2 DS-3 SPT-3 VST-1 DS-4 UDS-1 SPT-4 VST-2 DS-5	-1.40 -4.90 -6.90 -7.90 -8.15 -10.40 -11.40	4.00 7.50 9.50 10.50 10.75 13.00 14.00	-0.90 -2.00 -5.90 -8.90	3.50 4.60 8.50 11.50	2 2 3 2	1 1 1 3	3 1 2 3	4 2 3 6			U = 0.063 kg/cm ² R = 0.003 kg/cm ² S = 12.60 At RL-6.90 U = 0.089 kg/cm ² R = 0.030 kg/cm ² S = 2.97 At RL-10.40
-13.40	-13.40	16.00	16.00														
				Blackish / Grayish stiff clay	6.00	SPT-5 UDS-2 DS-6 SPT-6 SPT-7 SPT-8 DS-8	-14.40 -15.40 -17.40 -18.90 -19.40	17.00 18.00 20.00 21.50 22.00	-13.40 -15.90 -17.40 -18.90	16.00 18.50 20.00 21.50	5 6 9 32	7 7 12 53 (5cm pen.)	8 7 20 >50	15 14 32 >50			
-19.40	-19.40	22.00	22.00														



J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
Location : Adjacent to EQ-9 Berth
Bore hole : LBH-1
Ground Water Table : 2.10m (i.e) at RL +0.50

Date of Commencement : 11-07-07

Date of completion : 14-07-07

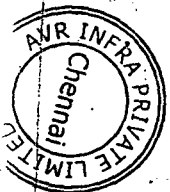
Ground RL : +2.60

BORELOG

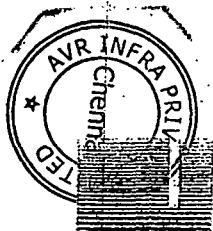
Ground RL		Depth below G.L. (m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
-19.40	-21.05	22.00	23.65	Soft Disintegrated rock	1.65										NIL	NIL	
-21.05	-22.05	23.65	24.65	Hard rock with fractures	2.00										25	NIL	
-22.05	-23.05	24.65	25.65												60	13	

Borehole Terminated at 25.65 m below Ground Level (i.e) at RL. -23.05

LBH-1 / Page 2/2




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J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project 

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.

Date of Commencement : 5-07-07

Location

: Adjacent to EQ-9 Berth

Date of completion : 10-07-07

Bore hole

: LBH-2

Ground RL : +3.35

Ground Water Table

: 3.25m (i.e) at RL +0.10

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Valuc	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.35	+0.35	0.00	3.00	Filled up soil (gravel with boulders)	3.00	DS-1	+1.85	1.50									
+0.35	-1.15	3.00	4.50	Sandy clay	1.50	SPT-1 DS-2	-0.10	3.45	+0.35	3.00	4	5	8	13			
-1.15	-4.65	4.50	18.00	Grayish/Blackish soft clay	13.50	DS-3 SPT-2 VST-1 DS-4 UDS-1 SPT-3 DS-5 SPT-4 VST-2 SPT-5 VST-3 DS-6	-1.15 -3.15 -3.25 -3.65 -5.65 -7.65 -11.65 -14.65	4.50 6.50 6.60 7.00 9.00 11.00 15.00 18.00	-1.95 -4.95 -7.15 -10.15	5.30 8.50 10.50 13.50	1 3 2 2	1 3 2 2	2 3 2 3	3 6 4 5			U = 0.034 kg/cm ² R = 0.017 kg/cm ² S = 1.98 At RL -3.15 U = 0.070 kg/cm ² R = 0.046 kg/cm ² S = 1.52 At RL -7.65 U = 0.384 kg/cm ² R = 0.225 kg/cm ² S = 1.71 At RL -11.65
-14.65	-17.15	18.00	20.50	Coarse grained sand	2.50	SPT-6 SPT-7			-15.15 -17.15	18.50 20.50	32 50(2cm pen.) 50(6cm pen.)			>50 >50			



J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
Location : Adjacent to EQ-9 Berth
Bore hole : LBH-2
Ground Water Table : 3.25m (i.e) at RL +0.10

Date of Commencement : 5-07-07

Date of completion : 10-07-07

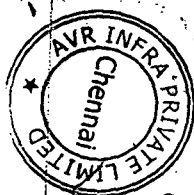
Ground RL : +3.35

BORELOG

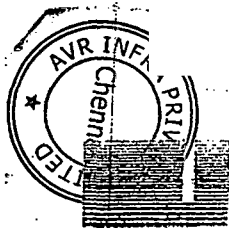
Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
-17.15	-19.15	20.50	22.50	Soft disintegrated rock	2.00										Nil	Nil	
-19.15	-19.65	22.50	23.00	Hard rock with fractures	2.50										20	Nil	
-19.65	-20.65	23.00	24.00												21	Nil	
-20.65	-21.65	24.00	25.00												55	23	

Borehole Terminated at 25.00 m below Ground Level (i.e) at RL. -21.65

LBH -2 /Page 2/2



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J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.

Date of Commencement : 14-07-07

Location

: Adjacent to EQ-9 Berth

Date of completion : 19-07-07

Bore hole

: LBH-3

Ground RL

: +3.20

Ground Water Table

: 3.50m (i.e) at RL -0.30

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.20	-0.30	0.00	3.50	Filled up soil	3.50	DS-1 DS-2 DS-3	+1.70 +0.20 -0.30	1.50 3.00 3.50									
-0.30	-1.60	3.50	4.80	Clay with pebbles sand and shells	1.30	SPT-1 DS-4	-1.60	4.80	-1.30	4.50	3	3	5	8			
-1.60	-15.30	4.80	18.50	Blackish/grayish Soft clay	13.70	SPT-2 VST-1 SPT-3 VST-2 DS-5 SPT-4 VST-3 UDS-1 SPT-5 DS-6	-2.80 -7.30 -7.80 -9.80 -11.80 -13.80	6.00 10.50 11.00 13.00 15.00 17.00	-1.80 -5.80 -8.80 -12.80	5.00 9.00 12.00 16.00	1 1 1 6	1 1 1 2	1 1 2 5	2 2 3 7			U=0.29 R=0.13 S = 2.2 v/m ² at RL = -2.80 U=0.073 R=0.109 S = 0.67 v/m ² at RL = -7.30 U=0.023 R=0.218 S = 0.11 v/m ² at RL = -9.80

J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.

Date of Commencement : 14-07-07

Location

: Adjacent to EQ-9 Berth

Date of completion : 19-07-07

Bore hole

: LBH-3

Ground RL : +3.20

Ground Water Table

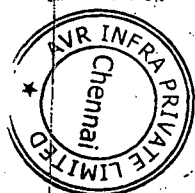
: 3.50m (i.e) at RL -0.30

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L.& Depth at which sample collected		R.L.& Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
-15.30	-17.30	18.50	20.50	Coarse grained sand with pebbles	2.00	SPT-6 DS-7	-16.80	20.00	-15.30	18.50	4	8	16	24			
-17.30	-18.30	20.50	21.50	Soft disintegrated rock	1.00	SPT-7			-17.30	20.50	50(13cm pen)			>50	Nil	Nil	
-18.30	-19.90	21.50	23.10	Hard rock with fractures	2.60										22.70	Nil	
-19.90	-20.90	23.10	24.10												37	Nil	

Borehole Terminated at 24.10 m below Ground Level (i.e) at RL. -20.90

LBH-3/Page 2/2



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J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project
Location
Bore hole
Ground Water Table

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
: Adjacent to EQ-9 Berth
: LBH-4
: 1.50m (i.e) at RL + 1.55

Date of Commencement : 20-07-07

Date of completion : 22-07-07

Ground RL : +3.05

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.05		0.00		Filled up soil	3.00	DS-1	+1.55	1.50									
	+0.05		3.00			DS-2	+0.05	3.00									
+0.05		3.00		Grayish Black soft clay	13.50	DS-3	-1.45	4.50									U = 0.0 kg/cm ² R = 0.065 kg/cm ² At RL - 2.95
						SPT-1			-1.95	5.00	1	1	1	2			
						VST-1	-2.95	6.00									
						DS-4	-3.95	7.00									UDS Slipped at 7.00m
						SPT-2			-4.45	7.50	2	1	2	3			
						VST-2	-5.45	8.50									
						DS-5	-5.95	9.00									U = 0.035 kg/cm ² R = 0.054 kg/cm ² S = 0.65 At RL - 5.45
						SPT-3			-6.45	9.50	2	2	2	4			
						UDS-1	-6.95	10.00									U = 0.028 kg/cm ² R = 0. kg/cm ² At RL - 7.45
						VST-3	-7.45	10.50									
						UDS-2	-7.95	11.00									U = 0.007 kg/cm ² R = 0.035 kg/cm ² S = 0.2 At RL - 8.95
						VST-4	-8.95	12.00									
						SPT-4			-9.95	13.00	2	3	3	6			
						VST-5	-10.95	14.00									U = 0.011 kg/cm ² R = 0.017 kg/cm ² S = 0.65 At RL - 10.95
						UDS-3	-11.95	15.00									
						DS-6	-12.95	16.00									
	-13.45		16.50														

J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.



Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.

Date of Commencement : 20-07-07

Location

: Adjacent to EQ-9 Berth

Date of completion : 22-07-07

Bore hole

: LBH-4

Ground RL : +3.05

Ground Water Table

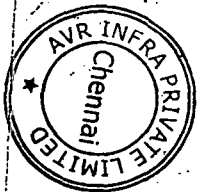
: 1.50m (i.e) at RL + 1.55

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
-13.45		16.50		Coarse grained sand with clay	1.50	DS-7 SPT-5 DS-8	-13.45	16.50	-14.45	17.50	50 (10cm pen)			>50			
	-14.95		18.00				-14.95	18.00									
-14.95		13.00		Soft disintegrated rock	1.00												
	-15.95		19.00														
-15.95		19.00		Hard rock with fractures	1.50										34	Nil	
	-16.45		19.50														
-16.45		19.50													43	14	
	-17.45		20.50														

Borehole Terminated at 20.50 m below Ground Level (i.e) at RL. -17.45

LBH-4 /Page-2/2





J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam – 530 003.

Project :
Location :
Bore hole :
Ground Water Table :

Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
Adjacent to EQ-9 Berth
LBH-5
2.60m (i.e) at RL -0.07

Date of Commencement : 14-07-07

Date of completion : 18-07-07

Ground RL : +2.53

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+2.53	-0.47	0.00	3.00	Filled up soil	3.00	DS-1 DS-2	+1.03 -0.47	1.50 3.00									
-0.47	-15.37	3.00	17.90	Grayish Black soft clay	14.90	SPT-1 DS-3 SPT-2 VST-1 UDS-1 SPT-3 VST-2 DS-4 SPT-4 VST-3 UDS-3 SPT-5	-1.97 -3.97 -5.47 -8.47 -8.97 -10.97 -11.97	4.50 6.50 8.00 11.00 11.50 13.50 14.50	-1.47 -2.97 -6.97 -9.97 -13.47	4.00 5.50 9.50 12.50 16.00	1 1 1 1 2	1 1 1 2 2	2 1 1 2 1	3 2 2 4 3			U = 0.065 kg/cm ² R = 0.025 kg/cm ² S = 2.6 At RL-3.97 U = 0.014 kg/cm ² R = 0.021 kg/cm ² S = 0.67 At RL-8.47 U = 0.004 kg/cm ² R = 0.041 kg/cm ² S = 0.1 At RL-10.97
-15.37	-16.37	17.90	18.90	Soft disintegrated rock	1.00	SPT-6			-15.37	17.90	50	(6cm pen)			>50	18	Nil
-16.37	-17.37	18.90	19.90	Hard rock with fractures	1.00										57	11	

Borehole Terminated at 19.90 m below Ground Level (i.e) at RL -17.370



J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project

Location

Bore hole

Ground Water Table

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
: Adjacent to EQ-9 Berth
: LBH-6
: 1.50m (i.e) at RL + 1.60

Date of Commencement : 07-11-07

Date of completion : 10-11-07

Ground RL : +3.10

BORELOG

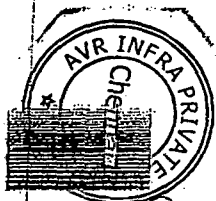
Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.10	+0.10	0.00	3.00	Filled up soil	3.00	DS-1 DS-2	+1.60 +0.10	1.50 3.00									
+0.10		3.00		Blackish soft Clay	9.00	SPT-1 SPT-2 VST-1 DS-3 UDS-1			-1.40 -2.90 -4.40 -5.90 -7.40	4.50 6.00 7.50 9.00 10.50	3 1 1 1 1	4 1 1 1 1	3 1 1 1 1	7 2			
-8.90		12.00		Blackish stiff clay	1.00	SPT-3			-8.90	12.00	3	6	9	15			U = 0.084 kg/cm ² R = 0.017 kg/cm ² S = 4.96 kg/cm ² At RL -4.40
-9.90		13.00		Blackish soft clay	5.50	SPT-4 DS-4 UDS-2 SPT-5	-10.90 -12.40	14.00 15.50	-9.90 -13.90	13.00 17.00	4 3	4 4	5 7	9 11			
-15.40		18.50		Coarse grained sand with pebbles	1.50	SPT-6 SPT-7			-15.40 -16.90	18.50 20.00	21 50	13 (3cm pen)	16	29 >50			
-16.90		20.00		Soft disintegrated rock	2.40										Nil	Nil	
-19.30	-21.30	22.40	24.40	Hard rock with fractures	5.30										9	Nil	
-21.30	-23.60	24.40	26.70												16	Nil	
-23.60	-23.85	26.70	26.95												68	42	
-23.85	-24.60	26.95	27.70												33	13	

Borehole Terminated at 27.70 m below Ground Level (Le) at RL. -24.60

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J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED
10-51-8/1, Kailasametta Uplands
Visakhapatnam – 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port. Date of Commencement : 11-11-07

Location : Adjacent to EQ-9 Berth Date of completion : 17-11-07

Bore hole : LBH-7 Ground RL : +3.50

Ground Water Table : 2.10m (i.e) at RL + 1.40

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.50	+0.50	0.00	3.00	Filled up soil	3.00	DS-1	+2.00	1.50									
+0.50		3.00		Brownish Clay	3.00	SPT-1	-1.00	4.50	-0.50	3.00	3	2	3	5			
	-2.50		6.00			DS-2	-2.50	6.00									
-2.50		6.00		Grayish Black soft clay	13.30	UDS-1											
						SPT-2	-5.50	9.00	-4.00	7.50	1	2	1	3			U = 0.062 kg/cm ²
						VST-1	-7.00	10.50									R = 0.036 kg/cm ²
						UDS-2											S = 1.69
						SPT-3	-10.00	13.50	-8.50	12.00	3	3	2	5			At RL - 5.50
				Soft disintegrated rock	1.30	DS-3	-10.00	13.50									U = 0.071 kg/cm ²
						VST-2	-11.50	15.00									R = 0.091 kg/cm ²
						SPT-4			-13.00	16.50	3	3	3	6			S = 0.78
				Hard rock with fractures	6.52	UDS-3	-14.50	18.00									At RL - 11.50
-15.80	-15.80	19.30	19.30			SPT-5			-15.80	19.30	50	(No pen)		>50			
-17.10	-17.10	20.60	20.60												21.35	Nil	
-19.12	-19.12	22.62	22.62												9	Nil	
-22.12	-22.12	25.62	25.62														
-23.62	-23.62	27.12	27.12												13.35	Nil	

Borehole Terminated at 27.12 m below Ground Level (i.e) at RL -23.62

J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
Location : Adjacent to EQ-9 Berth
Bore hole : LBH-8
Ground Water Table : 3.60m (i.e) at RL + 0.15

Date of Commencement : 11-11-07

Date of completion : 17-11-07

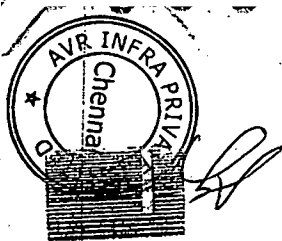
Ground RL : +3.75

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.75	+2.25	0.00	1.50	Filled up soil	1.50												
+2.25	+0.75	1.50	3.00	Clay with sand	1.50	DS-1	+2.25	1.50									
+0.75	-2.25	3.00	6.00	Clay with pebbles	3.00	SPT-1 SPT-2 DS-2	-2.25	6.00	+0.75 -0.75	3.00 4.50	3 5	3 4	4 7	7 11			
-2.25	-13.25	6.00	17.00	Grayish Black Soft clay	11.00	SPT-3 VST-1 UDS-1 SPT-4 VST-2 DS-3 SPT-5	-5.75 -7.25 -10.25 -11.75	9.50 11.00 14.00 15.50	-3.75 -8.75 -13.25	7.50 12.50 17.00	2 3 2	1 2 3	1 3 3	2 5 6			U=0.044kg/cm ² R=0.015kg/cm ² S=1.26 At RL -5.75 U=0.068kg/cm ² R=0.091kg/cm ² S=0.77 At RL -10.25
-13.25	-15.30	17.00	19.05	Clay with coarse grained sand	2.05	DS-4	-14.75	18.50									
-15.30	-16.80	19.05	20.55	Soft disintegrated rock	1.50	SPT-6			-15.30	19.05	50	(No pen)			>50		
-16.80	-17.12	20.55	20.87	Hard Rock with fractures	3.54										73	NIL	
-17.12	-17.80	20.87	21.55												37	NIL	
-17.80	-18.29	21.55	22.04												25	NIL	
-18.29	-19.29	22.04	23.04												36	NIL	
-19.29	-20.34	23.04	24.09												27	NIL	

Borehole Terminated at 24.09 m below Ground Level (i.e) at RL. -21.150

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J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED **10-51-8/1, Kailasametta Uplands**

Visakhapatnam - 530 003.

Date of Commencement : 5-11-07

Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
 Visakhapatnam Port.

Date of completion : 9-11-07

Location

: Adjacent to EQ-9 Berth

Ground RL : +3.70

Bore hole

: LBH-9

Ground Water Table

: 3.25m (i.e) at RL +0.45

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.70	+2.20	0.00	1.50	Filled up soil	1.50	DS-1	+2.20	1.50			6	8	7	15			
+2.20	+0.70	1.50	3.00	clay with Sand	1.50	SPT-1			+0.70	3.00							
+0.70		3.00		Brownish/grayish Soft clay	12.00	SPT-2 SPT-3 VST-1 UDS-1 SPT-4 VST-2 DS-2	-3.80 -5.30 -8.30 -9.80	7.50 9.00 12.00 13.50	+0.80 -2.30 -6.80	4.50 6.00 10.50	4 0 3	2 1 2	2 1 2	4 2 4			U=1.209 kg/cm ² R=0.204 kg/cm ² S=5.92 At RL-3.80
	-11.30	15.00	15.00	Sandy clay	1.50	SPT-5			-11.30	15.00	3	2	5	7			
-11.30	-12.80	16.50	16.50	Coarse grained sand with shells	1.50	SPT-6 DS-3	-14.30	18.00	-12.80	16.50	3	14	10	24			
-14.30	-14.30	18.00	18.00	Soft disintegrated rock	0.20										Nil	Nil	
-14.50	-14.50	18.20	18.20	Hard rock with fractures	7.10	SPT-7			-14.50	18.20	50 (No pen)			>50	26	Nil	Small pieces of core recovered
-17.36	-17.36	21.06	21.06												5	Nil	
-19.86	-19.86	23.56	23.56												11	Nil	
		25.30	25.30												25.86	6.32	

Borehole Terminated at 25.30 m below Ground Level (i.e) at RL. -21.60

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J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasameetta Uplands

Visakhapatnam - 530 003.

Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.

Date of Commencement : 27-07-07

Location

: Adjacent to EQ-9 Berth

Date of completion : 4-08-07

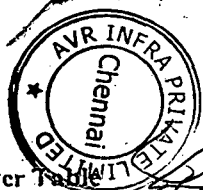
Bore hole

: LBH-10

Ground RL : +3.40

Ground Water Table

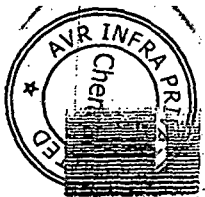
: 2.90m below GL (i.e) at RL +0.50



BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.40	+0.40	0.00	3.00	Filled up soil	3.00	DS-1	+1.90	1.50									
+0.40		3.00		Grayish Black soft clay	9.00	SPT-1 DS-2 VST-1 UDS-1 SPT-2 VST-2 UDS-2 SPT-3 VST-3 DS-3 SPT-4 VST-4 UDS-3	-0.10 -0.60 -1.10 -3.60 -4.60 -5.60 -6.10 -8.10 -8.60	3.50 4.00 4.50 7.00 8.00 9.00 9.50 11.50 12.00	+0.40 -2.10 -5.10 -6.60	3.00 5.50 8.50 10.00	1 1 1 2 3	1 1 2 3	2 1 2 3	3 2 4 6			U = 0.029 Kg/cm ² R = 0.225 kg/cm ² S = 0.13 At RL -0.60 U = 0.137 kg/cm ² R = 0.203 kg/cm ² S = 0.77 At RL -3.60 U = 0.115 kg/cm ² R = 0.072 kg/cm ² S = 1.39 At RL -5.60 U = 0.122 kg/cm ² R = 0.196 kg/cm ² S = 0.62 At RL -8.10
-8.60		12.00		Blackish stiff clay	6.00	SPT-5 DS-4 SPT-6 UDS-4 DS-5 SPT-7	-10.10 -12.60 -13.10	13.50 16.00 16.50	-9.60 -11.60 -13.60	13.00 15.00 17.00	4 14 4	6 13 3	8 6 12	14 19 15			
-14.60		18.00		Soft disintegrated rock	1.00	SPT-8			-14.60	18.00	50	(No pen)			>50		
-15.60	-15.74	19.00	19.14	Hard rock with fractures	1.14										7	Nil	
-15.74	-16.74	19.14	20.14												43	13	

Borehole Terminated at 20.14 m below Ground Level (i.e) at RL -16.74



J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.

Date of Commencement : 12-11-07

Location

: Adjacent to EQ-10 Berth (North return End)

Date of completion : 17-11-07

Borehole

: LBH-II

Ground RL : +3.20

Ground Water Table

: 2.75m (I.E) at RL +0.45

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.20	+0.20	0.00	3.00	Filled up soil	3.00	DS-1 DS-2	+1.70 +0.20	1.50 3.00									
+0.20		3.00		Grayish Black Soft clay	16.50	SPT-1 SPT-2 DS-3 UDS-1 VST-1 SPT-3 UDS-2 SPT-4 VST-2 UDS-3 DS-4	+1.30 -2.80 -4.30 -5.80 -7.30 -10.30 -11.80 -13.30 -14.80 -16.30	1.50 6.00 7.50 9.00 10.50 13.50 15.00 16.50 18.00 19.50	-1.30 -2.80 -8.80 -11.80	4.50 6.00 12.00 15.00	2 1 2 3	2 1 2 3	2 1 2 3	4 2 4 6			U = 0.142 kg/cm ² R = 0.038 kg/cm ² S = 16.77 At RL - 7.30 U = 0.155 kg/cm ² R = 0.034 kg/cm ² S = 35.43 At RL - 13.30
-16.30	-16.50	19.50	19.70			SPT-5			-16.50	19.70	50(2cm pen)			>50	Nil	Nil	
-16.50	-20.75	19.70	23.95												19	Nil	
-20.75	-21.45	23.95	24.65												28	Nil	
-21.45	-22.35	24.65	25.55												33	12	
-22.35	-23.10	25.55	26.30														

Borehole Terminated at 26.30 m below Ground Level (I.e) at RL. -23.10

J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.

Date of Commencement : 6-08-07

Location : Adjacent to EQ-10 Berth (North return End)

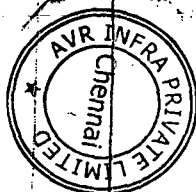
Date of completion : 11-08-07

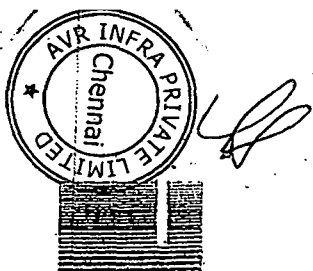
Bore hole : LBH-12

Ground RL : +3.10

Ground Water Table : 2.95m below GL (i.e) at RL +0.15

BORELØG

[illegible]



J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam – 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
Location : Adjacent to EQ-10 Berth (North return End)
Bore hole : LBH-12
Ground Water Table : 2.95m below GL (i.e) at RL +0.15

Date of Commencement : 6-08-07

Date of completion : 11-08-07

Ground RL : +3.10

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L.& Depth at which sample collected		R.L.& Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
-13.90		17.00		Blackish Stiff clay	2.00	SPT-6 DS-10	-14.90	18.00	-13.90	17.00	12	24	25	49			
	-15.90		19.00														
-15.90		19.00		Soft disintegrated rock	0.20	SPT-7			-15.90	19.00	50 (2 Cm pen)			>50	Nil	Nil	
	-16.10		19.20														
-16.10	-17.60	19.20	20.70	Hard rock with fractures	5.65										30	Nil	
-17.60	-20.30	20.70	23.40												14	Nil	
-20.30	-20.75	23.40	23.85												7	Nil	
-20.75	-21.75	23.85	24.85												52	11	

Borehole Terminated at 24.85m below Ground Level (i.e) at RL. -21.75



J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam – 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.
Location : Adjacent to EQ-10 Berth (North Return End)
Bore hole : LBH-13
Ground Water Table : 2.90m below GL (i.e) at RL +0.30

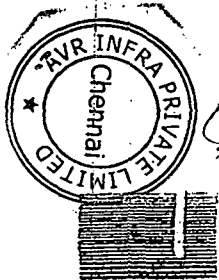
Date of Commencement : 12-08-07

Date of completion : 18-08-07

Ground RL : +3.20

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.20		0.00		Filled up soil	3.00	DS-1	+1.70	1.50									
	+0.20		3.00			DS-2	+0.20	3.00									
+0.20	-0.80	3.00	4.00	Sand with clay	1.00	DS-3	-0.80	4.00									
-0.80		4.00				SPT-1	-2.30	5.50	-1.30	4.50	2	2	1	3			U = 0.10 kg/cm ² R = 0.014 kg/cm ² S = 7.14 At RL-2.30
						VST-1											
						SPT-2			-4.30	7.50	2	1	1	2			U = 0.278 kg/cm ² R = 0.232 kg/cm ² S = 1.19 At RL-7.80
						DS-4	-4.80	8.00									
						UDS-1	-5.30	8.50									
						DS-5	-6.30	9.50									
						SPT-3			-6.80	10.00	3	3	3	6			U = 0.323 kg/cm ² R = 0.072 kg/cm ² S = 4.48 At RL-10.80
						VST-2	-7.80	11.00									
						UDS-2	-8.80	12.00									
						SPT-4			-9.80	13.00	1	2	2	4			U = 0.244 kg/cm ² R = 0.094 kg/cm ² S = 2.59 At RL-13.80
						DS-6	-10.30	13.50									
						VST-3	-10.80	14.00									
						UDS-3	-11.80	15.00									
						DS-7	-12.30	15.50									
						SPT-5			-12.80	16.00	2	2	3	5			
						VST-4	-13.80	17.00									
-14.80	-14.80	18.00	18.00	Coarse grained sand with pebbles	8.00	SPT-6			-14.80	18.00	50	(10cm pen)		>50			
	-22.80		26.00			DS-8	-15.80	19.00									



J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam – 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.
Location : Adjacent to EQ-10 Berth (North Return End)
Bore hole : LBH-13
Ground Water Table : 2.90m below GL (i.e) at RL +0.30

Date of Commencement : 12-08-07

Date of completion : 18-08-07

Ground RL : +3.20

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				QRL	GL (m)	QRL	QL (m)	15 cm	30 cm	45 cm				
-22.80	-23.40	26.00	26.60	Hard rock with fractures	1.60										24	NII	
-23.40	-24.40	26.60	27.60												31	12	

Borehole Terminated at 27.60 m below Ground Level (i.e) at RL -24.40

LBH-13/Page 2/2



J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.

Date of Commencement : 2-11-07

Location : Adjacent to EQ-10 Berth (North return end)

Date of completion : 5-11-07

Bore hole : LBH-14

Ground RL : +3.45

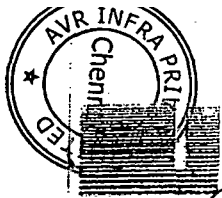
Ground Water Table : 3.10m (i.e) at RL + 0.35

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.45	+1.95	0.00	1.50	Filled up soil	1.50	DS-1	+1.95	1.50									
+1.95	-2.05	1.50	5.50	Clay with fine sand	4.00	SPT-1			-1.05	4.50	3	5	3	8			
-2.05	-11.55	5.50	15.00	Blackish / grayish Soft clay	9.50	DS-2 SPT-2 VST-1 UDS-1 DS-3 SPT-3 VST-2	-2.05 -4.55 -6.05 -7.05 -10.05	5.50 8.00 9.50 10.50 13.50	-3.05	6.50	1	1	1	2			U = 0.073 kg/cm ² R = 0.047 kg/cm ² S = 1.61 At RL-4.55 U = 0.080 kg/cm ² R = 0.017 kg/cm ² S = 4.70 At RL-10.05
-11.55	-13.05	15.00	16.50	Blackish stiff Clay with pebbles	1.50	DS-4 SPT-4	-11.55	15.00	-13.05	16.50	13	15	18	33			
-13.05	-13.75	16.50	17.20	Soft disintegrated rock	0.70	DS-5	-13.75	17.20									
-13.75	-14.00	17.20	17.45	Hard rock with fractures	1.95										4	Nil	
-14.00	-14.60	17.45	18.05												48	Nil	
-14.60	-15.10	18.05	18.55												28	Nil	
-15.10	-15.70	18.55	19.15												58	30	

Borehole Terminated at 19.15 m below Ground Level (i.e) at RL. -15.70

LBH-14/Page 1/1



J.J.SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project : Geo-Technical Investigation for the Proposed construction of EQ-10 berth at Visakhapatnam Port.

Date of Commencement : 23-07-07

Location : Adjacent to EQ-10 Berth (North return end)

Date of completion : 27-07-07

Bore hole : LBH-15

Ground RL : +2.90

Ground Water Table : 2.95m (i.e) at RL -0.05

BORELOG

Ground RL		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L.& Depth at which sample collected		R.L.& Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+2.90	+1.40	0.00	1.50	Filled up soil	1.50												
+1.40	-0.55	1.50	3.45	Gravel with clay	1.95	DS-1 DS-2	+1.40 -0.10	1.50 3.00									
-0.55	-12.10	3.45	15.00	Grayish Black soft clay	11.55	SPT-1 DS-3 VST-1 UDS-1 SPT-2 VST-2 DS-4 UDS-2 SPT-3 VST-3 UDS-3 SPT-4 VST-4 DS-5 UDS-4	-1.10 -2.10 -3.10 -5.10 -5.60 -7.10 -8.10 -8.60 -10.10 -10.60 -11.10	4.00 5.00 6.00 8.00 8.50 10.00 11.00 11.50 13.00 13.50 14.00	-0.55 -4.10 -7.60 -9.60	3.45 7.00 10.50 12.50	3 1 3 3	2 1 3 4	2 2 3 3	4 3 6 7			U = 0.162 kg/cm ² R = 0.182 kg/cm ² S = 0.89 At RL-2.10 U = 0.184 kg/cm ² R = 0.233 kg/cm ² S = 0.79 At RL-5.10 U = 0.092 kg/cm ² R = 0.254 kg/cm ² S = 0.36 At RL-8.10 U = 0.085 kg/cm ² R = 0.189 kg/cm ² S = 0.45 At RL-10.10



J.J. SOIL INVESTIGATION AND ENVIRON CONSULTANTS (P) LIMITED

10-51-8/1, Kailasametta Uplands

Visakhapatnam - 530 003.

Project

: Geo-Technical Investigation for the Proposed construction of EQ-10 berth at
Visakhapatnam Port.

Date of Commencement : 3-10-07

Location

: Adjacent to EQ-10 Berth (North return end)

Date of completion : 29-10-07

Bore hole

: LBH-18

Ground RL : +3.20

Ground Water Table

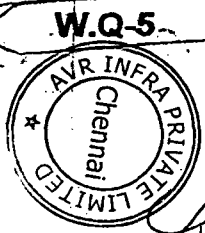
: 3.30m (i.e) at RL-0.10

BORELOG

Ground RL.		Depth below G.L.(m)		Visual Description of Strata	Thickness of strata (m)	Type of Sample	R.L. & Depth at which sample collected		R.L. & Depth at which SPT conducted		Standard Penetration test			N-Value	Core Recovery %	RQD %	Remarks
From	To	From	To				GRL	GL (m)	GRL	GL (m)	15 cm	30 cm	45 cm				
+3.20	-1.30	0.00	4.50	Gravel	4.50	DS-1 DS-2	+1.70 -1.30	1.50 4.50									
-1.30		4.50		Grayish Black soft clay	12.50	SPT-1 DS-3 SPT-2 UDS-1 VST-1 SPT-3 UDS-2 DS-4	-3.80 -5.80 -6.80 -8.30 -11.80 -12.80	7.00 9.00 10.00 11.50 15.00 16.00	-2.80 -5.80 -9.80	6.00 9.00 13.00	0 1 2	1 2 1	0 1 2	1 3 3			U = 0.445 kg/cm ² R = 0.123 kg/cm ² S = 3.62 At RL-8.30
-13.80	-13.80	17.00	17.00			SPT-4			-13.80	17.00	4	14	15	29			
-14.80		18.00				DS-5	-14.80	18.00							Nil	Nil	
-15.85	-18.80	19.05	22.00			SPT-5			-15.85	19.05	50	(No pen)		>50	17	Nil	
-18.80	-19.80	22.00	23.00												19	Nil	
-19.80	-20.35	23.00	23.55	Hard Rock with fractures	6.20										32	Nil	
-20.35	-20.75	23.55	23.95												67	Nil	
-20.75	-21.35	23.95	24.55												48	Nil	
-21.35	-22.05	24.55	25.25												41	Nil	

Borehole Terminated at 25.25 m below Ground Level (i.e) at RL. -22.05

LBH-18 /Page 1/1



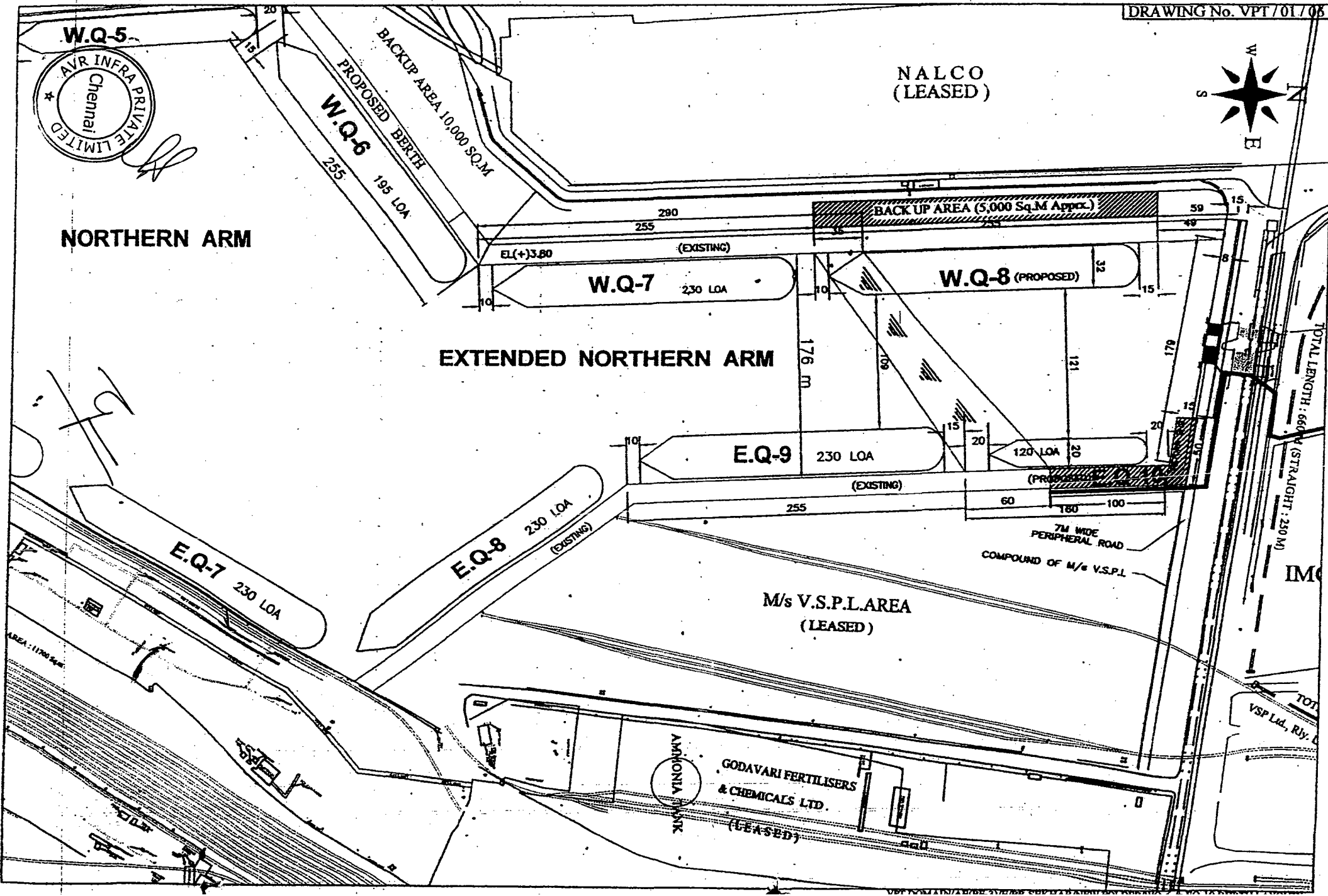
NORTHERN ARM

NALCO
(LEASED)

EXTENDED NORTHERN ARM

M/s V.S.P.L AREA
(LEASED)

GODAVARI FERTILISERS
& CHEMICALS LTD.
(LEASED)



DRAWING NO. VPT/02/06

W.Q-8 (PROPOSED)



USHODAYA SHIPPING PVT LTD,
ADMINISTRATIVE OFFICE

AKR CROSSING

BRIDGE UNDER
FOOT-6 AND ROUTE-6

GEDDA ROAD

GEDDA ROAD

GEDDA

GEDDA

IMCLTD

TOTAL LENGTH : 660 M (STRAIGHT : 250 M)

BACKUP AREA 30,000 SQ.M

149m

190m

216m

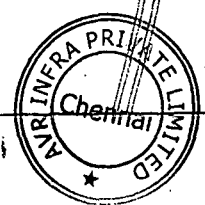
149m

TOTAL LENGTH : 600 M (STRAIGHT : 120 M)
VSP Ltd., Rly. Lines

LAYOUT OF E.Q-10 BACKUP AREA

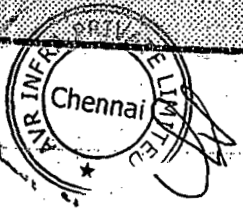
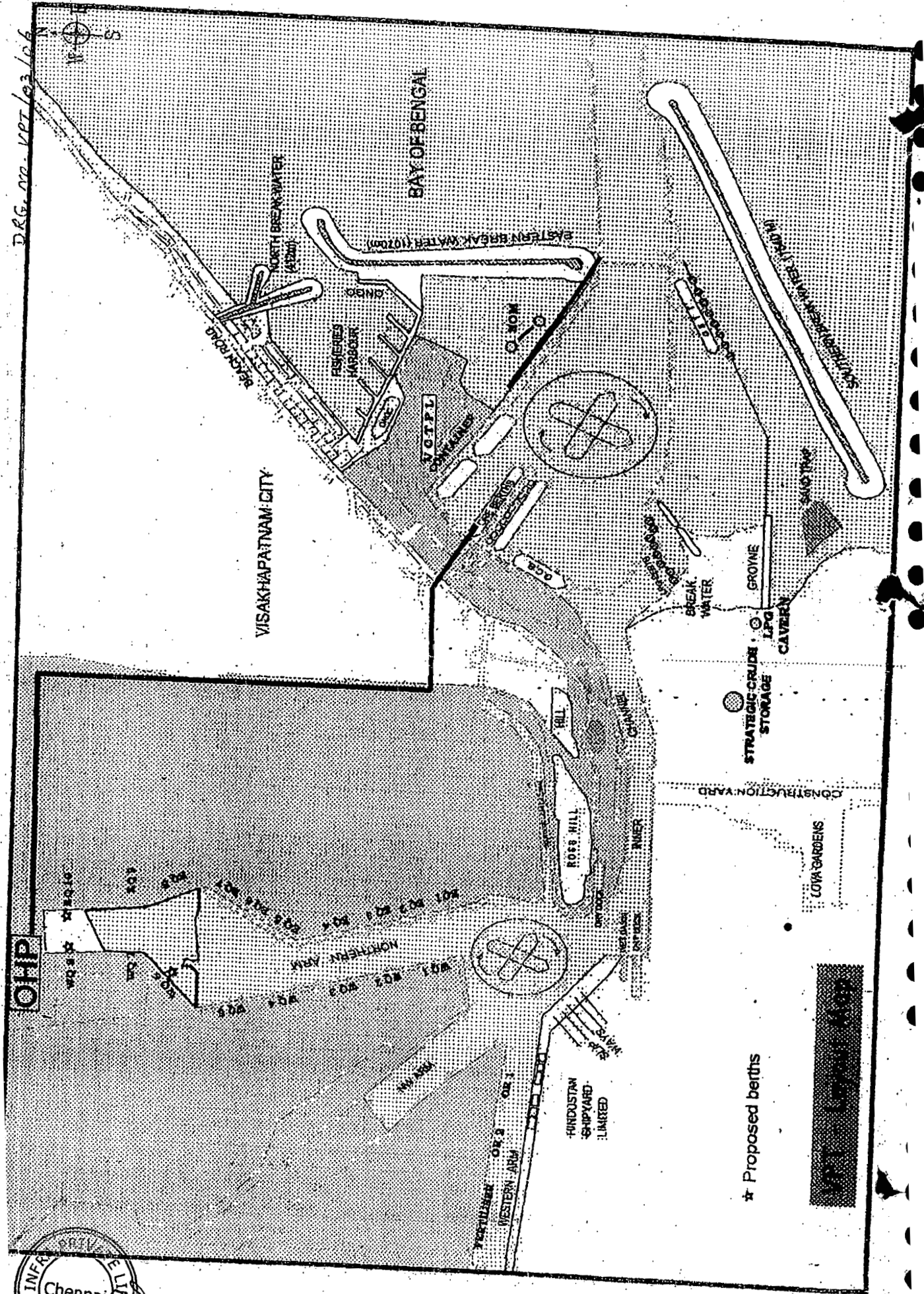
7M WIDE
PERIPHERAL ROAD

COMPOUND OF M/s V.S.P.L

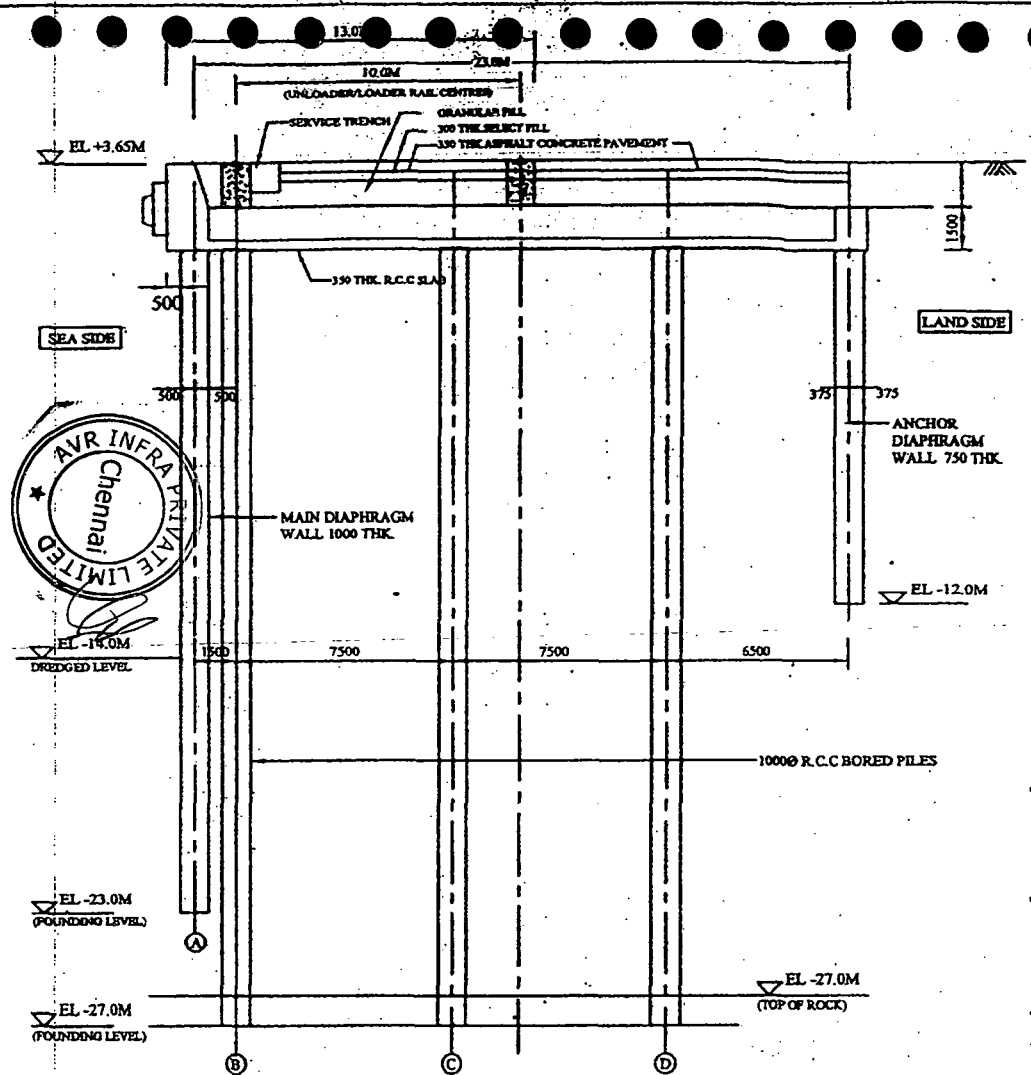


VPT DOMAIN/ABPT-3/9/97/ SEC/RAZ/NEW FOLDER/WQ-6 & EQ-10 BERTH LAYOUTS

DRG. NO. VPT 103 106

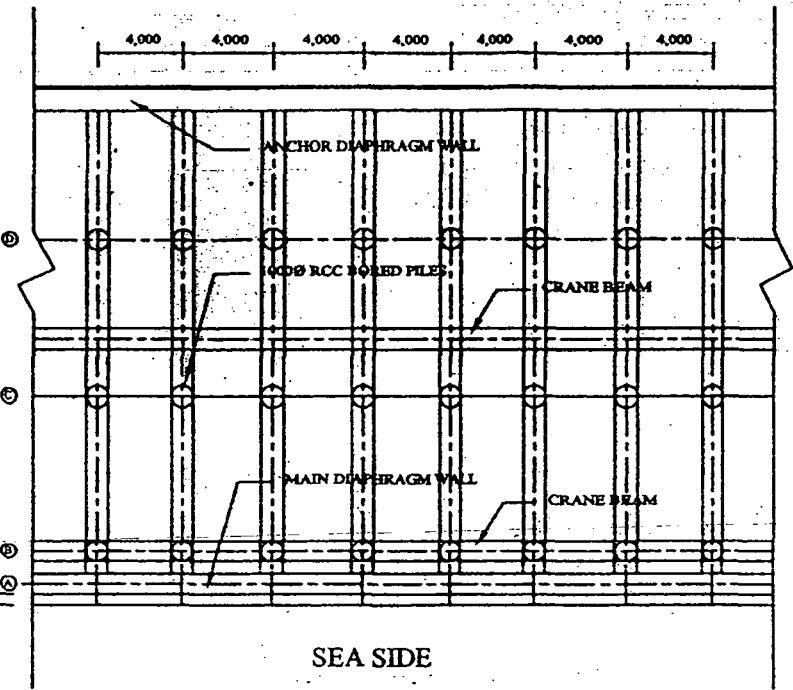


4



CROSS-SECTION

23.0 M



PART PLAN

ALTERNATIVE-I



VISAKHAPATNAM PORT TRUST

PROPOSED CONSTRUCTION OF
EQ-10 MULTIPURPOSE BERTH
IN NORTHERN ARM EXTENSION
IN INNER HARBOUR

SCALE:
As Shown

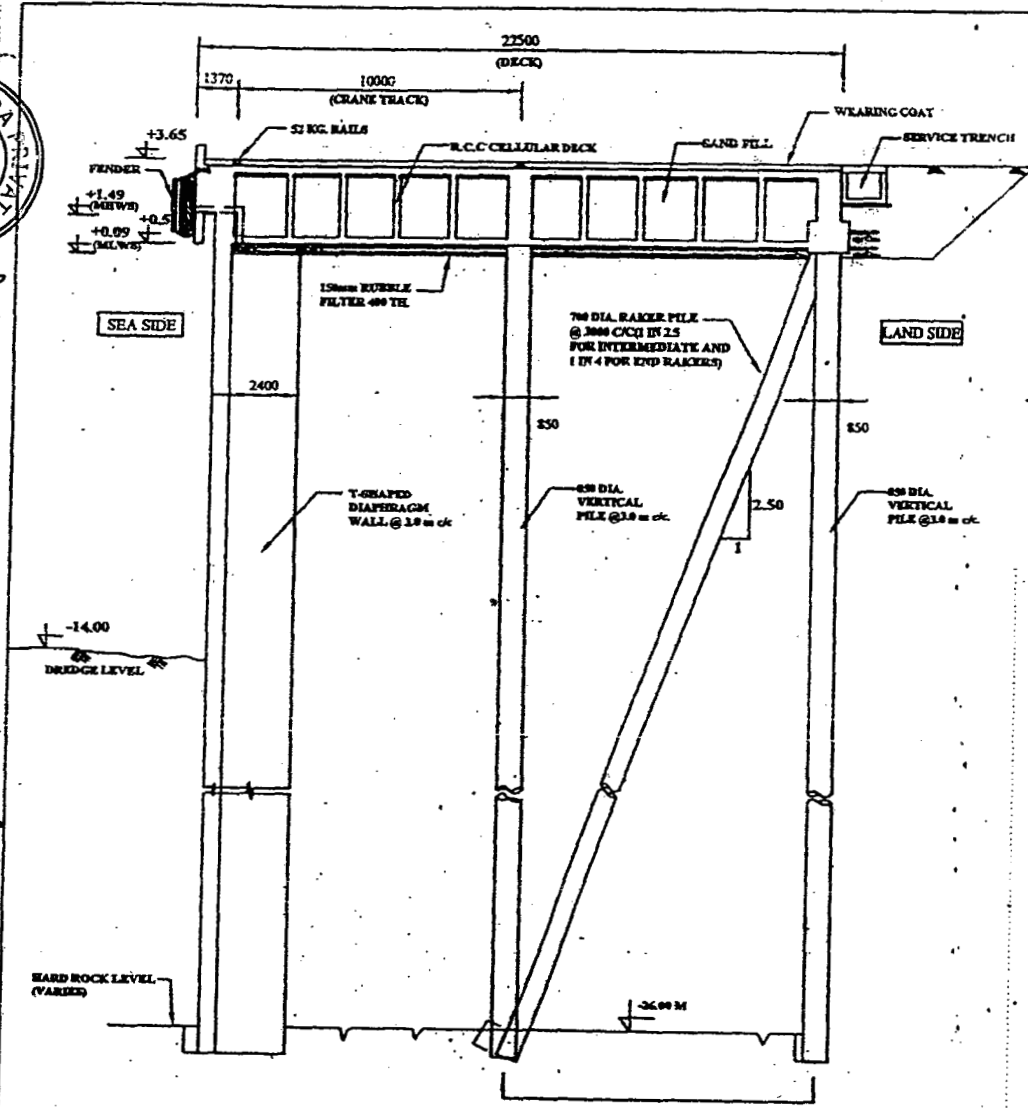
DATE:

ALTERNATE - I: VERTICAL PILES WITH
RETAINING AND ANCHOR
DIAPHRAGM WALLS

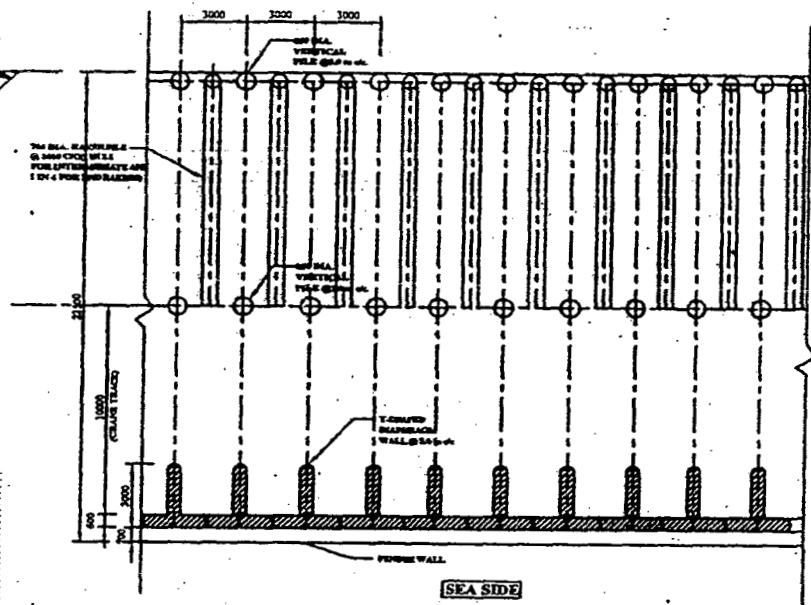
137



DRG. NO: VPT/5/06



CROSS SECTION



PART PLAN

ALTERNATIVE-II



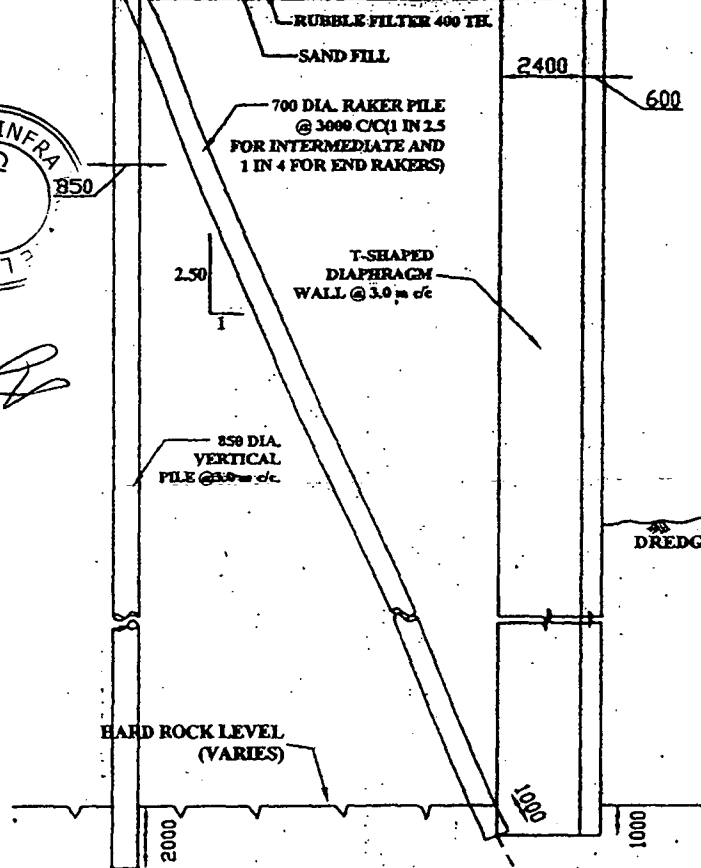
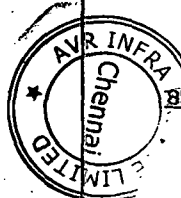
VISAKHAPATNAM PORT TRUST

PROPOSED CONSTRUCTION OF
EQ-10 MULTIPURPOSE BERTH
IN NORTHERN ARM EXTENSION
IN INNER HARBOUR

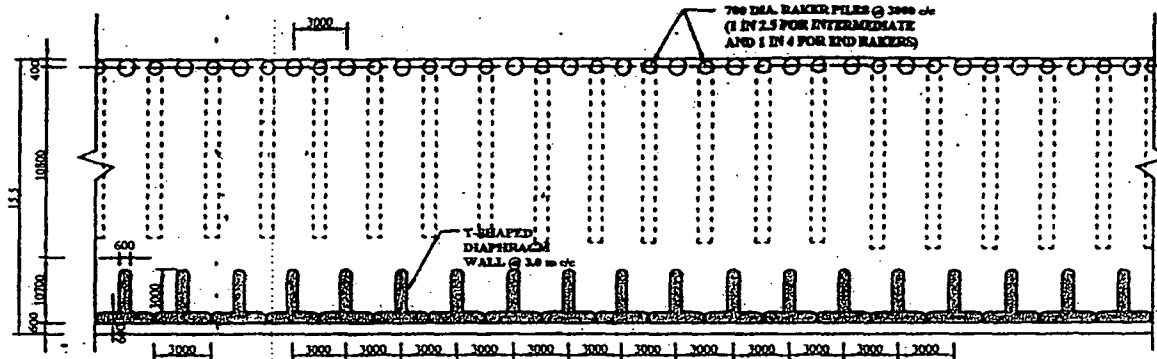
SCALE:
As Shown

DATE:

ALTERNATIVE - II : T - DIAPHRAGM WALL
WITH VERTICAL PILES



CROSS SECTION



PART PLAN



VISAKHAPATNAM PORT TRUST

**PROPOSED CONSTRUCTION OF EQ-10
RETURN END IN NORTHERN ARM EXTENSION
IN INNER HARBOUR**

SCALE:

As Shown

DATE:

**RETAINING T-DIAPHRAGM WALL WITH
VERTICAL AND RAKER PILES**