

**F. No. 2/20/2026-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

**4th Floor, STCs Building,
Janpath New Delhi
Dated: 15th September, 2026**

Record of Discussion

Subject: Record of Discussion of the 151st meeting of the PPPAC for considering the proposal "Development of the Second Container Terminal at Kamarajar Port Limited under PPP Model on DBFOT Basis" of the Ministry of Ports, Shipping & Waterways (MoPSW).

Reference: 151st meeting of the PPPAC held on 29th August 2026.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 151st meeting of the PPPAC held on 29th August 2026 under the chairmanship of the Secretary (EA) for information and necessary action.

2. This is issued with the approval of the Competent Authority.



**(Arya B K)
Joint Director
011-23701024**

To,

1. Secretary, Department of Expenditure, New Delhi-01
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi-01
3. Secretary, Ministry of Ports, Shipping & Waterways, Parivahan Bhavan, New Delhi
4. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi.

Copy to:

1. Sr. PPS to Secretary (EA)
2. PPS to JS (IFS)

Subject: Record of Discussion of the 151st meeting of the PPPAC for considering the proposal for Development of the Second Container Terminal at Kamarajar Port Limited under PPP Model on DBFOT Basis:

1. The 151st meeting of the PPPAC was held on 29th August 2026 at 16:00 hours to consider the above-mentioned proposal of the Ministry of Ports, Shipping & Waterways (MoPSW).
2. List of attendees is placed at **Annexure-I**.
3. With the permission of the Secretary (EA), the Joint Secretary (IFS) welcomed all the attendees to the meeting. Kamarajar Ports Limited (KPL) officials made a detailed presentation on the project.
4. The details of the proposal are as given below:

1 General		
1.1	Name of the project	Development of the Second Container Terminal at Kamarajar Port Limited Under PPP Mode on Design, Build, Finance, Operate & Transfer (DBFOT) Basis
1.2	Type of PPP (BOT, BOOT, BOLT, OMT, etc.)	Design, Build, Finance, Operate and Transfer (DBFOT)
1.3	Location (State/ District/ Town)	State: Tamil Nadu, Dist.: Chennai Town: Ennore, Chennai
1.4	Administrative Ministry / Department	Ministry of Ports, Shipping and Waterways (MoPSW) (Ports Wing)
1.5	Name of Sponsoring Authority	Kamarajar Port Limited
1.6	Name of the Implementing Agency	Kamarajar Port Limited through the selected Concessionaire on DBFOT basis
2 Project Description		
2.1	Brief description of the project	Terminal Length
		Phase I – 500 m, Phase II – 400 m (Total 900 m)
		Width
		30 m
		Concession Period
		40 years
		Construction Period
		Phase I - 24 months from Date of Award Phase II – Next 24 months Total – 48 months
		Project site area
		111.19 acre (Phase I - 61.77 acre, Phase II- 49.42 acre)
		Commodity proposed
		Container Cargo
		Design Capacity
		2.00 Mn TEUs (Phase I – 1.10 Mn TEUs, Phase II – 0.9Mn TEUs)

		<table><tr><td>Draft</td><td>18m</td></tr><tr><td>Design Vessel Capacity</td><td>24,346 TEUs</td></tr><tr><td>Maximum LOA of Vessel</td><td>400 m</td></tr><tr><td>Depth alongside the Berth</td><td>20 m</td></tr></table>	Draft	18m	Design Vessel Capacity	24,346 TEUs	Maximum LOA of Vessel	400 m	Depth alongside the Berth	20 m																																																																								
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		The Concession Period shall be 40 years from the Date of Award of Concession which includes a construction period of 48 months (Phase-I taking 24 months and Phase-II requiring 24 months thereafter).																																																																																
2.2	Possible alternatives, if any	No																																																																																
2.3	Estimated capital costs with break-up under major heads of expenditure. Also indicate the basis of cost estimation.	<table><tr><th>SN</th><th>Item</th><th>Phase I</th><th>Phase II</th><th>Total (in ₹ Cr)</th></tr><tr><td>1.</td><td>Berth Structures</td><td>329.45</td><td>281.86</td><td>611.31</td></tr><tr><td>2.</td><td>Backup yard development</td><td>181.80</td><td>144.52</td><td>326.32</td></tr><tr><td>3.</td><td>Mechanical Equipment</td><td>1304.46</td><td>1129.85</td><td>2434.31</td></tr><tr><td>4.</td><td>Wharf accessories</td><td>6.86</td><td>5.88</td><td>12.74</td></tr><tr><td>5.</td><td>Electrical</td><td>8.88</td><td>9.51</td><td>18.39</td></tr><tr><td>6.</td><td>Utilities</td><td>5.58</td><td>5.98</td><td>11.56</td></tr><tr><td>7.</td><td>Total Cost</td><td>1837.02</td><td>1577.60</td><td>3414.62</td></tr><tr><td>8.</td><td>GST</td><td>330.66</td><td>80.59</td><td>411.26</td></tr><tr><td>9.</td><td>Contingency</td><td>108.38</td><td>82.91</td><td>191.29</td></tr><tr><td>10.</td><td>IT System Cost @2% + Other Cost @1% + EMP, ERC & Studies @ 0.5%</td><td>75.87</td><td>58.04</td><td>133.91</td></tr><tr><td>11.</td><td>Financing Charge</td><td>8.50</td><td>6.51</td><td>15.01</td></tr><tr><td>12.</td><td>Hard Cost</td><td>2360.44</td><td>1805.65</td><td>4166.09</td></tr><tr><td>13.</td><td>IDC</td><td>68.88</td><td>53.29</td><td>122.17</td></tr><tr><td>14.</td><td>Total Project Cost</td><td>2429.32</td><td>1858.94</td><td>4288.26</td></tr><tr><td>15.</td><td>Dredging Cost by Authority</td><td colspan="3">₹ 450 Crore</td></tr></table>	SN	Item	Phase I	Phase II	Total (in ₹ Cr)	1.	Berth Structures	329.45	281.86	611.31	2.	Backup yard development	181.80	144.52	326.32	3.	Mechanical Equipment	1304.46	1129.85	2434.31	4.	Wharf accessories	6.86	5.88	12.74	5.	Electrical	8.88	9.51	18.39	6.	Utilities	5.58	5.98	11.56	7.	Total Cost	1837.02	1577.60	3414.62	8.	GST	330.66	80.59	411.26	9.	Contingency	108.38	82.91	191.29	10.	IT System Cost @2% + Other Cost @1% + EMP, ERC & Studies @ 0.5%	75.87	58.04	133.91	11.	Financing Charge	8.50	6.51	15.01	12.	Hard Cost	2360.44	1805.65	4166.09	13.	IDC	68.88	53.29	122.17	14.	Total Project Cost	2429.32	1858.94	4288.26	15.	Dredging Cost by Authority	₹ 450 Crore		
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2.4	Phasing of investment	Phasing of Investment: Phase I: ₹ 2429.32 Cr Phase II: ₹ 1858.94 Cr Total: ₹ 4288.26 Cr																																																																																
2.5	Project Implementation Schedule (PIS)	Phase: I Construction (0 to 24 months from the Date of Award of Concession) 8 (Eight) Months from the Date of Award of Concession: 30% of civil works in Phase I as specified in Appendix-4, should have been completed. 16 (Sixteen)Months from the Date of Award of Concession: 60% of civil works in Phase I as specified in Appendix-4, should have been completed 24 (Twenty-Four) Months from the Date of Award of Concession: 100% of civil works, installation of Equipment's and other ancillary services in Phase I as specified in Appendix-4, should have been completed																																																																																

		Commercial operation period of Phase I: From 25th month of Date of Award of Concession Phase: II Construction (25 to 48 months from the Date of Award of Concession) 32 (Thirty-Two) Months from the Date of Award of Concession: 30% of civil works in Phase II as specified in Appendix-4, should have been completed. 40 (Forty) Months from the Date of Award of Concession: 60% of civil works in Phase II as specified in Appendix-4, should have been completed. 48 (Forty-Eight) Months from the Date of Award of Concession: 100% of civil works, installation of Equipment's and other ancillary services in Phase-II as specified in Appendix-4, should have been completed. Commercial operation period of Phase II: From 49th month of Date of Award of Concession
3 Financing Arrangements		
3.1	Sources of financing (equity, debt, mezzanine capital etc.)	The Project will be implemented through DBFOT mode, and finance shall be arranged by the Concessionaire.
3.2	Indicate the revenue streams of the project (Annual flows over project life). Also indicate the underlying assumptions.	The Concessionaire will earn revenue by levying tariff from the users. The charges will be based on market-driven rates. The annual revenue flows over the project life are available at Section-7 of the Feasibility Report.
3.3	Indicate the NPV of revenue streams with 12% discounting.	₹ 3100.59 Cr
3.4	Who will fix the tariff/user charges? Please specify in details.	As per MCA -2021 vide Article – 8, the Concessionaire of the Project, shall fix the Tariff based on market conditions and such other conditions, if any, as may be notified and made applicable by a Competent Authority, under the provisions of any applicable law.
3.5	Have any FIs been approached? If yes, there response may be indicated.	No, Funds towards project cost will be arranged by the selected Concessionaire.
4 IRR		
4.1	Economic IRR (if computed)	12.12%
4.2	Financial IRR, indicating various assumptions (attach separate sheet if	Equity IRR: 15.94% Project IRR: 15.71%

	necessary)	
5	Clearances	
5.1	Status of environmental clearances	KPL is in possession of Environmental and CRZ clearance for development of the facilities envisaged in the Port Master Plan (Phase-III) which includes Development of Second Container Terminal (referred in EC & CRZ Clearance as 'Container Terminal – 1000m quay length (3 berths)') for a capacity of 2 Million TEUs equivalent to 24 MMTPA vide MOEF&CC notification reference F.No.11-51/2012-IA-III dated 30th October 2018.
5.2	Clearance required from the State Government and other local bodies	Consent to Establish (CTE) for the Project shall be obtained by the Authority from the State Pollution Control Board prior to commencement of construction activities. Subsequently, the selected Concessionaire shall obtain the Consent to Operate (CTO) from the State Pollution Control Board prior to commissioning and commencement of operations of the Project facilities.
6	Gol Support	
6.1	Viability Gap funding, if required	Not Required
6.2	Gol guarantees being sought, if any	Not Required
7	Draft Concession Agreement	
7.1	Is the Draft Concession Agreement based on MCA? If yes, indicate the variations, if any, in a detailed note (to be attached)	Yes, the Draft Concession Agreement is based on the approved MCA-2021. The deviation statement detailing the variations with supporting justification is enclosed at Annexures- II of PPPAC Memo
8	Criteria for short listing	
8.1	Is shortlisting to be in one stage or two stages?	Shortlisting of Applicants shall be carried out through a single-stage, two-cover electronic bidding process (the "Bidding Process") for selection of the Bidder for award of the Project through the e-procurement system.

5. The MD, KPL explained that Kamarajar Port currently operates 9 berths with an overall cargo handling capacity of 58.44 MMTPA, including a 1.40 MTEU container terminal. In the light of increasing future demand for container handling facilities at KPL and as per the Maritime Amrit Kaal Vision 2047, KPL intends to undertake the Development, Operation and Maintenance of Second Container Terminal under PPP mode to handle vessels up to 24,346 TEUs with a maximum LOA of 400 m. The project is structured on DBFOT mode, comprising a 900-metre berth with a capacity of 2.0 MTEUs per annum and will be implemented in two phases with 1.1 MTEUs in Phase I and 0.9 MTEUs in Phase II.
6. The MD, KPL further stated that the project entails an estimated total investment of ₹4,288.26 crore (Phase I: ₹2,429.32 crore; Phase II: ₹1,858.94 crore), with an additional

₹450 crore dredging cost by the Authority. It will be implemented under a 40-year concession, including a 48-month construction period, and is expected to significantly enhance KPL's container capacity and strengthen its position as a key container and transshipment hub on India's east coast.

7. After the detailed presentation, the Chair asked the PPPAC members for their observations. DoLA supported the proposal and stated that there were no further comments to offer.

8. The observations raised by the **PD, NITI Aayog** and the responses provided by KPL are given below:

- i. **As per the proposal, the Phase-II development is mandatory. Suppose the concessionaire does not initiate Phase II within the specified period, say five years, should the Phase II scope be descope and taken up through a fresh bidding process?**

Response: The Phase-II is mandatory and hence the concessionaire has to undertake the development of Phase-II. In case the Concessionaire is not undertaking the Phase-II, the same shall be descope and taken up as a separate project. Appropriate provisions shall be added in the Concession Agreement.

- ii. **As per the Model RFP issued by the DEA, consortium members are required to maintain a minimum 26% equity stake, with the equity contribution of each member being not less than 5% of the Total Project Cost (TPC). The said clause has not been incorporated in the Draft RFP.**

Response: The draft RFP shall be reviewed and the same shall be incorporated into the bidding documents.

9. The observations raised by the **representatives of DoE** and the responses provided by KPL are given below:

- i. **MoPSW to provide justification on whether the proposed planning and development could lead to overcapacity.**

Response: The proposed development is being undertaken after careful consideration and a concerted assessment of the anticipated demand and long-term requirements.

10. The observations made by **Joint Secretary (IFS), DEA** and the responses therein by MoPSW are given below:

- i. **The project is divided into two Phases- I &II, without any gap between phases. Further, the Phase-II is mandatory even if the Phase-I capacity is underutilized. Can a suitable trigger mechanism be incorporated for initiating Phase II?**

Response: The project is divided into two sequential phases to optimize capital deployment, facilitate progressive commissioning of facilities and provide the ultimate planned terminal capacity of 2.0 MTWUs. However, the initiation of Phase-II can be linked to a demand trigger, such as 60–70 per cent capacity utilisation of Phase-I, so as to avoid mandatory development of Phase-II where

the utilisation of Phase-I remains below the prescribed threshold.

11. The observations raised by the **Secretary, MoPSW** and the responses therein are given below:

- i. **JNPA has a 4 km berth with a planned capacity of 12 million TEUs. In comparison, the KPL project proposes a 900-metre berth with a capacity of only 2 million TEUs. Why has the capacity been considered lower, and why is it not around 2.7 million TEUs?**

Response: The proposed capacity has been determined based on the quay length, number of gantry cranes, and productivity norms. For the 900-metre quay, one gantry crane has been considered for every 100 metres, resulting in the deployment of 9 cranes. Further, as per the TAMP Guidelines (2008), a productivity norm of 25 moves per gantry crane per hour has been prescribed. For the project, a higher productivity of 28 moves per crane per hour has been considered. Based on these assumptions, the terminal capacity has been assessed at 2.0 million TEUs per annum. This represents the optimum capacity under the current design assumptions, with scope for further optimisation in operations and productivity.

- ii. **How will the proposed dredging affect the adjacent berth? Will the draft of the adjacent berth also be increased? If the draft is being increased for the proposed project, should the adjacent berth also be upgraded to the same draft?**

Response: There will be no impact on the existing PPP concessionaire. However, if the draft near to the existing project has to be increased, the existing concessionaire has to pay for that work. As per the Concession Agreement, the responsibility of dredging lies with KPL. KPL has discussed the matter with AECTPL, the existing container terminal operator, which has expressed interest in increasing the draft of the adjacent berth to 18 metres.

12. The observations raised by the **Chair** and the responses therein by MoPSW are given below:

- i. **As per the Master Plan, the project was proposed to be implemented in three phases and covered a larger area. What are the reasons for the change in the proposed development?**

Response: The change is primarily due to the reduction in the berth length from 950 metres to 900 metres. The remaining 50-metre space is required between the car parking yard and the berth for provision of a retaining wall, which is necessary to maintain the integrity of the berth basin.

- ii. **Is there any provision for enhancing the capacity of the port beyond 2.0 MTEUs in future in case the capacity is saturated?**

Response: As per the project structure, no such provision has been incorporated in the draft Concession Agreement. However, in case the capacity is saturated, the concessionaire may be given the flexibility to enhance the capacity given that no additional waterfront or extension is concession period is provided.

- iii. **What is KPL's overall development plan and long-term vision for the port, particularly given its position as the only corporate entity in the sector?**

Response: KPL's long-term vision is to significantly expand its cargo handling capacity in line with projected growth. The target is to achieve 80 MMTPA by

January 2027, 130 MMTPA by 2040, and ultimately 255 MMTPA by 2047.

Recommendations

13. After detailed deliberations, the PPPAC unanimously recommended the proposal for “Development of the Second Container Terminal at Kamarajar Port Limited Under PPP Mode on Design, Build, Finance, Operate & Transfer (DBFOT) Basis” for consideration of the Competent Authority for giving Administrative Approval, subject to the following recommendations:
 - i. The appraised Estimated Project Cost of PPP component is Rs. 4,288.26 crore.
 - ii. The project shall be implemented on DBFOT basis in two phases. KPL may structure the development of Phase-II to be triggered upon Phase-I reaching the prescribed capacity utilisation threshold or upon completion of a specified period after appointed date, whichever is earlier, as considered appropriate.
 - iii. Environment Clearance and other necessary clearances to be obtained in a time-bound manner before the bid due date to avoid delays in the project.
 - iv. KPL may incorporate appropriate provisions in the Concession Agreement to provide flexibility to the Concessionaire to augment the capacity of the Container Terminal berth in case of high traffic beyond 2 MTEU, without any increase in the waterfront or extension of the concession period.
 - v. In the event that the Concessionaire fails to undertake the development of Phase-II within the stipulated timeframe, Phase-II may be de-scoped from the Concession Agreement and taken up separately through a fresh bidding process. Accordingly, appropriate provisions may be incorporated in the Concession Agreement.
 - vi. As per the Model RFP, each consortium member whose technical and/or financial capacity is considered for the purposes of qualification is required to maintain at least 26% of the subscribed and paid-up equity of the SPV, subject further to such equity being not less than 5% of the Total Project Cost (TPC). This provision may accordingly be incorporated in the RFP.
14. Revalidation of its recommendation by the PPPAC is not required for the following post-recommendation changes in the project costs/bid documents:
 - i. Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period etc.
 - ii. Non-substantial change in risk-allocation.
 - iii. Any other changes/modification in the project proposal with the overall objective of making project successful.
 - iv. Further, MoPSW may decide whether the changes proposed post recommendations of the project proposal by the PPPAC fall within the threshold criteria as stated above. All such changes falling within the threshold criteria shall be appraised at the level of Secretary MoPSW / BoD of KPL as the case may be, without any further need of revalidation by the PPPAC and shall proceed with the approval process accordingly.

Annexure-I

List of the attendees of the 151st meeting of the PPPAC for considering the proposal “Development of the Second Container Terminal at Kamarajar Port Limited under PPP Model on DBFOT Basis” of Ministry of Ports Shipping & Waterways (MoPSW).

a. Department of Economic Affairs

1. Ms. Anuradha Thakur, Secretary (EA)
2. Ms. Laya Madduri, JS (IFS)
3. Ms. Arya BK, Joint Director (PIU)
4. Shri Jai Patil, DS (PIU)
5. Shri Suman Saurabh, SO (PIU)
6. Ms. Sharddha D Narwade, Assistant Director (PIU)

b. Department of Expenditure

1. Sh. Partha Paul, Under Secretary

c. NITI Aayog

1. Sh. Partha Sarathi Reddy, Program Director

d. Department of Legal Affairs

1. Ms. Prerna, Assistant Legal Adviser

e. Ministry of Ports, Shipping & Waterways

1. Shri Vijay Kumar, Secretary, MoPSW
2. Shri Praveen P Nair, Joint Secretary, Ports
3. Shri. Rajesh Asati, DS (PPP)
4. Shri Sachin Kumar Katiyar, US (PPP)

f. Kamarajar Port Limited

1. Ms. J P Irene Cynthia, Managing Director (KPL) *joined via Video Conferencing*
2. Shri Vignesh H, General Manager (Corporate Strategy & Business Development), KPL
3. Shri B Senthil, Senior Manager, KPL
4. Shri S Sivanesan, Senior Manager, iDeck Limited
5. Shri Vignesh Murugan, Associate Consultant, iDeck Limited
6. Shri Chander Shekhar, Office Assistant, MoPSW