
Paradip Port signs concession agreement with Blue Water

Thursday, 02 Jul, 2009

According to press release, a concession agreement between Paradip Port Trust and Blue Water Iron Ore Terminal Pvt Limited, the concessionaire has been signed today for construction of a deep draught iron ore terminal in the presence of Mr GK Vasan union cabinet minister of shipping and other senior officers including Secretary (Shipping) Mr APVN Sarma, additional secretary & financial advisor and joint secretary (Ports).

Under the agreement, the iron ore terminal will be developed by the concessionaire at an estimated cost of INR 506.30 crore. Paradip Port will provide supporting facilities like dredging of Channel & Berth, Railway lines and back up area at an estimated cost of INR 85.05 crore.

Besides this, the Port will also incur an expenditure of INR 20 crore towards shifting of CISF complex and INR 15 crore towards upgradation of Electrical reception facilities in order to facilitate implementation of the project.

On completion of the iron ore terminal, capacity addition to the Port will be 10 million tonne per annum. Since the dredging of the channel is in progress and the depths at the proposed channel and berth will be 17.1 meters, it will facilitate handling of cape size vessels up to 1, 25, 000 DWT. The concessionaire, Blue Water Iron Ore Terminal Pvt Limited have offered a revenue share of 36.802 % to the port during the concession period of 30 years. The concessionaire will complete the construction of the project facilities within 36 months from the date of award of concession. This is the first project under Public Private Partnership to be implemented in the port sector as per the new Model Concession Agreement approved by the Cabinet and the tariff has been fixed up front by TAMP.

As part of the PPP scheme of Government of India, Paradip Port Trust floated global tenders for construction of deep draught iron ore berth on BOT basis. 5 bidders were short listed including the successful bidder, the consortium of Noble Group Limited, Gammon Infrastructure Projects Limited & MMTC for this port sector BOT project. The consortium has formed a Special Purpose Vehicle, Blue Water Iron Ore Terminal Pvt Limited under the companies act to implement the project.

Mr K Raghuramaiah chairman of Paradip Port Trust signed the concession agreement on behalf of the Port and Mr Harindar Pal Singh Banga vice chairman of Nobel Group signed on behalf of SPV.

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