

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:6397

ANSWERED ON:06.05.2013

DELAY IN CONTAINER TERMINAL PROJECT

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Will the Minister of SHIPPING be pleased to state:

- (a) the reasons for the delay in the fourth container terminal of Jawaharlal Nehru Port Trust (JNPT) by more than three years along with the reaction of the Government thereto;
- (b) whether the JNPT has decided to invest for setting up rail and road infrastructure at the port and if so, the details in this regard;
- (c) whether the International Container Transshipment Terminal (ICTT) at Vallarpadom has started functioning and if so, the details thereof along with the income received by Cochin Port Trust from ICTT in the last fiscal and the current year;
- (d) whether the Government is also considering to provide financial assistance to Cochin Port Trust for the development of basic infrastructure including maintenance of dredging;
- (e) if so, the details thereof and the total amount sanctioned therein along with the other measures taken by the Government to support Cochin Port Trust; and
- (f) the steps taken by the Government to make port projects in the country more attractive for the private sector investments?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a): Letter of award for the project titled 'Development of fourth container terminal at JNPT' was issued to the consortium of M/s PSA Mumbai Investments Pte. Ltd. and M/s ABG Ports Pvt. Ltd. on 26.09.2011. However, the consortium initially disputed the necessity of registration of the Concession Agreement and payment of stamp duty, which were a statutory necessity in Maharashtra but conceded later. Thereafter, the consortium requested to allow the withdrawal of M/s ABG Ports Pvt. Ltd. from the consortium. This was disallowed in consultation with Ministry of Law for want of any such provision in the bid documents. Thereafter, the consortium was requested to sign the concession agreement. But the consortium failed to sign the concession agreement. Finally, JNPT had to withdraw the Letter of Award on 16.10.2012.

(b) JNPT has not invested in Rail Connectivity Projects except within the Port area. However, for road connectivity, the Port has formed a Special Purpose Vehicle (SPV) with National Highway Authority of India (NHAI) and City and Industrial Development Corporation of Maharashtra Ltd. (CIDCO). The said SPV has completed the work of 4 laning of NH-4B and SH-54 except for a small stretch involved in land acquisition problem. NHAI has invited bids for the work of "6/8 laning of NH-4B, SH-54, Amra Marg and construction of grade separators at Karal and Gavhan Junctions on Build Operate and Transfer (BOT) basis". The estimated cost of this Project is Rs. 1408.93 Crore.

(c) The Vallarpadam International Container Transshipment Terminal (ICTT) was dedicated to the Nation on 11.02.2011 and started operation with effect from 18.02.2011. The revenue earned by the Cochin Port Trust from ICTT is as under:

Year	Rev. share earned by the Port (in Crore)
2011-12	49.39
2012-13	53.39

(d) & (e): The Government of India has already supported the Vallarpadam ICTT Project by providing assistance in the road and rail connectivity and also in the capital dredging. The amounts invested by Government of India in the above projects are as under:

S. No.	Project (in Crore)	Amount invested
1	17.2 Km 4-Lane NH Connectivity Executed by NHAI	913.96
2	8.6 Km Rail Link Connectivity	370.35
3	Capital Dredging	377.94

The Union Government has also provided Rs. 30 Crore in the Budget for infrastructure development during 2013-14 for Cochin Port Trust.

(f): The Government has taken following steps to facilitate investment in Port projects more attractive:-

1. Upto 100% Foreign Direct Investment (FDI) under the automatic route is allowed for Port development projects.
2. Income tax incentives are allowed as per Income Tax Act, 1961.
3. Bidding documents like Request For Qualification (RFQ), Request for Proposal (RFP) and Concession Agreement have been standardized.
4. Enhanced delegation of financial powers to Shipping Ministry to accord investment approval for Public Private Partnerships (PPP) projects.
5. Streamlining of security clearance procedures.
6. Close monitoring by the Shipping Ministry.