

Ports Policy

Andhra Pradesh was amongst the first maritime states in 1994-95 to recognise the imperative need for increased port infrastructure and the central role that the private sector would be required to play in developing the same. The port privatisation in Andhra Pradesh has been based on Build-Operate-Share-Transfer basis.

The salient features of the BOST policy are :

- 30 year concession period which can be extended by 2 more spells of 10 years each
- In-operation period : 5 years
- Concession agreement on BOST (Build, Operate, Share and Transfer) or BOMST (Build, Operate, Maintain, Share and Transfer) basis
- Port Developer to be designated as Conservator for the Port under the Indian Ports Act, 1908.
- Freedom to fix tariff
- Freedom to set own employee policies
- Sharing of revenue with the government (5 % in first five years progressing to 12% in later years)
- Government land to be leased. In respect of acquired land, cost of land acquisition to be borne by Developer and adjusted against share of revenue payable to the Government.
- In case of new port development activity within 30 km, assured exclusivity in terms of right of first offer and refusal
- At the end of the concession, immovable assets to be transferred to Government free of cost. Movable assets to revert at a consideration specified in the Concession Agreement.

The mandates were granted through a competitive bidding process coordinated by the consultants to the Government.

- The tender criteria pre-qualified Bidders based on their Technical and Financial competence and assessed their detailed bids for techno-commercial sufficiency. Final award was driven by an assessment of project viability and the financial offer made to the Government by way of :

* Minimum Guaranteed Revenue Share (in Rupees per annum) (50 % weightage)

* Percentage of Revenue Share offered per annum (30 % weightage)

*Maximum investment proposed in Phase I (20% weightage)