



GOVERNMENT OF KERALA

Abstract

Fisheries & Ports Department - Vizhinjam International Seaport Project - Construction of Funded Works - Revision of framework for determining the physical completion percentage - Payment of 4th (final) installment of Breakwater construction - Sanction Accorded - Orders Issued.

FISHERIES & PORTS (E) DEPARTMENT

G.O.(Rt)No.235/2025/F&P Dated, Thiruvananthapuram, 28-03-2025

- Read: 1 Concession Agreement dated 17th August, 2015 between Government of Kerala and Adani Vizhinjam Port Private Limited
- 2 Minutes of meeting held on 24-02-2022 in the presence of Hon'ble Ministers for Ports, Fisheries, Transport & Revenue
- 3 G.O.(Rt) No354/2022/E&P dated 10-06-2022
- 4 Minutes of meeting convened by Principal Secretary Ports on 02-12-2023
- 5 G.O.(Ms)No.2/2024/F&PD dated 15-02-2024
- 6 Supplementary Concession Agreement dated 28th November 2024
- 7 Minutes of the meeting of the Committee held on 29-11-2024 to review the physical wave model studies conducted by CWPRS
- 8 Provisional Certificate of Completion issued by Independent Engineer on 3rd Dec, 2024 along with Punch List
- 9 Minutes of the meeting convened by Hon'ble Minister for Ports and Fisheries on 22-01-2025
- 10 Minutes of the meeting convened by Principal Secretary, Ports on 23-01-2025
- 11 Letter no: AVPPL/GoK/2024-25/3508 dated 28-02-2025 from the Chief Executive Officer, Adani Vizhinjam Port Private Limited

- 12 Letter no: 10/56/2023-IA.1I1 dated 10-03-2025 of MoEF&CC issuing the Environmental Clearance for the Master Plan Development of Vizhinjam International Seaport project
- 13 Letter No.VISL/2025/Tech/2/1102 dated 18-03-2025 from the Managing Director, Vizhinjam International Seaport project

ORDER

As per the Concession Agreement dated 17th August, 2015, executed between Government of Kerala(Authority) and Adani Vizhinjam Port Private Limited (Concessionaire) for the development of Vizhinjam Intentional Seaport Project read as 1st paper above, there are Funded Works which are to be funded by the Authority for a lumpsum value, not exceeding Rs.1,463 Crores. Out of this Rs.1,387 is earmarked for the construction of Breakwaters, 30 Crores for the development of Fish Landing Berth and buildings in the fishing harbour (for the local fishing community, as a specific condition laid down in the environmental clearance issued by MoEF-CC on January 03, 2014 for the 1st phase of the project) and 46 Crores for site development, reclamation, etc. Similarly, out of the total length of 3,100 metres, stipulated for the Breakwater in the line item 1 of funded works, the initial length of 676 meters was functionally required for both the port and the fishing harbour and a length of 140 metres was meant to be a spur breakwater for providing tranquility at the new fish landing berth.

2. For the breakwater component of 3,100 m length, a lumpsum value of Rs.1,387 Cr. is provisioned in the Concession Agreement, which is to be paid to the Concessionaire in 4 equal installments. As per Clause 12.6.4 of the Concession Agreement, this lumpsum amount shall be due and payable upon the Independent Engineer certifying that the Concessionaire has completed 30%, 60%, 80% and 100% of the breakwater works. In the meeting convened by the Principal Secretary, Ports on 02-12-2023 it was decided to adopt a framework in order to assess the physical progress of the breakwater construction and facilitate payment and for the disbursement in accordance with Clause 12.6.4 of the Concession Agreement.

3. As per the Government Order read as 5th paper above, Government have executed a Supplementary Concession Agreement on 28-12-2024. Accordingly, the Scheduled Commission date was extended to 03-12-2024.

The Concessionaire, AVPPL, continued with the construction of the main breakwater and as certified by the Independent Engineer it was completed to the extent essentially required for the safe and reliable functioning of the Phase 1 of the Port.

4 . The Managing Director, Vizhinjam International Seaport Ltd as per letter read as 13th paper above has informed that the Independent Engineer in June, 2024 based on the approved framework, had certified the progress against 80% completion of the breakwater and consequently the 3rd installment due and payable to AVPPL for the breakwater construction was disbursed.

5. As per the letter read as 8th paper above, the Independent Engineer of the project issued the Provisional Certificate of Completion on 3rd Dec, 2024 certifying that the port can be safely and reliably placed in commercial service and provisionally declaring it fit for entry into commercial operations. Consequently, 3rd Dec, 2024 was declared as the Commercial Operation Date (COD) of the project, and the port has been in commercial operations since that date. The Independent Engineer issued the Provisional Certificate along with Punch List items which are yet to be completed such as Breakwater in BR1-BR2 stretch & Permanent round head works at BR8.

6 . The Managing Director, Vizhinjam International Seaport Ltd as per letter read as 13th paper above has reported that the estimated lumpsum value towards the components that are not proposed to be constructed in Phase-1 [140-meter spur breakwater (Rs.70.71 Cr.), BR1-BR2 stretch (Rs.34.97 Cr.) & round head structure (Rs.36.11 Cr.)] which amounts to Rs.141.79 Cr. shall be deducted from the lumpsum contract value of Rs.1,387 Cr earmarked in the Concession Agreement for breakwater. The 140-meter-long spur breakwater (BR2-BR3) protruding from the main breakwater of the port is not a part of the port's infrastructure and does not impact the operations of the port. The recommendation of Centre Water and Power Research Station (CWPRS), Pune, 'not to construct the spur breakwater as envisaged in the Concession Agreement', was approved in the meeting held in the presence of Hon'ble Ministers for Ports, Fisheries,

Transport & Revenue held on 24-02-2022. The CWPRS in November, 2024 recommended constructing a 235-meter-long breakwater at an alternate location, instead of the original 140-meter spur breakwater, *inter alia*. An amount of Rs.70.71 Cr. is estimated to be the value corresponding to the spur breakwater and the same is proposed to be deducted from the lumpsum amount of Rs.1,387 Cr. allocated for the breakwater.

7. As per the letter read as 11th paper above, the CEO, Adani Vizhinjam Port Ltd requested to exempt the items like outstanding works of breakwater from BR1 to BR2 and round head structure at BR8 from the Punch List items in the Provisional Certificate of Completion for Phase-1 issued citing that the reasons for non completion of these components within the 90 days period were not attributable to the Concessionaire. CEO, AVPPL also submitted that the non-completion of these outstanding works is not affecting the operation of the Port in its targeted capacity.

8. The estimated lumpsum value towards the components that are not proposed to be constructed in Phase-1 [140-meter spur breakwater (Rs.70.71 Cr.), BR1-BR2 stretch (Rs. 34.97 Cr.) & round head structure (Rs.36.11 Cr.)] which amounts to Rs 141.79 Cr. shall be deducted from the lumpsum contract value of Rs.1,387 Cr earmarked in the Concession Agreement for breakwater. Accordingly, the lumpsum value of breakwater is limited to 1,245.21 Cr. as described below.

Breakwater lumpsum value as per Concession Agreement	Rs 1,387 Cr
Less value of 140-meter spur breakwater	Rs 70.71 Cr
Less value of outstanding works of BR1-BR2	Rs 34.97 Cr
Less value of round head structure	Rs 36.11 Cr
Net lumpsum value of the Port breakwater already completed	Rs 1,245.21 Cr

9. The pending funded works that shall be executed by the Concessionaire are construction of a new fishing harbour as recommended by the CWPRS

for complying with the specific condition of the EC for the Phase 1 of the project and the remaining work of BR1-BR2 breakwater. The components-wise details of these Funded Works with lumpsum value are given below:

Sl. No.	Items	Rupees in Crores
1.	Breakwater works to be taken up in connection with construction of new fishing harbour	105.68
2.	Fish landing berth and buildings in the fishing harbour	30
3.	Site Development, Reclamation, etc.	46
	Total lumpsum value	181.68

10. As per the letter read as 13th paper above, M.D. VISL requested to consider the proposal with the scope of breakwater limited to the works that are essential for the safe and reliable operations of the port which are completed in Phase 1 of the project and to approve the revised framework with updated lumpsum value estimates for the breakwater works of Phase-1, along with the necessary sanctions to facilitate the processing of the fourth and final installment payment based on these revisions. Consequently, the above framework is to be used by the IE for certifying the claim of the Concessionaire on the physical progress of breakwater completion and payment disbursement of the final installment of breakwater construction for the port included in the Phase 1 of the project based on this certification.

11. Government have examined the matter in detail. Considering the circumstances mentioned above and as the Port has already started safe and reliable operations of Phase 1 of the project, Government are pleased to approve the revised framework with updated lumpsum value estimates for the breakwater works of Phase-1 completed so far and accord sanction to the Managing Director, Vizhinjam International Seaport Limited to facilitate the processing of the fourth and final installment (final) payment based on these revisions, as claimed by the Concessionaire subject to certification by the Independent Engineer.

(By order of the Governor)
Dr A KOWSIGAN I A S
SPECIAL SECRETARY

To:

The Managing Director, Vizhinjam International Seaport Ltd.

The Managing Director & Chief Executive Officer, Adani Vizhinjam Ports Private Ltd.

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A&E), Kerala, Thiruvananthapuram.

Finance Department

The Information Officer, Web & New Media, Information and Public Relation Department (for uploading in the Government web site.)

SF/OC.

Forwarded /By order

Section Officer

Copy to :- The Private Secretary to Chief Minister

The Private secretary to Minister (Ports, Co-operation & Devaswom)

PA to Special Secretary, Ports.