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## FINANCIAL BIDS

# Mundra Port, Welspun in race for Vizhinjam port project

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BANGALORE

**M**undra Port and Special Economic Zone Ltd and a consortium of Welspun group companies have submitted financial bids to develop and operate a ₹2,620 crore multipurpose port at Vizhinjam in Kerala when the last date for submission closed on Tuesday.

Ten other shortlisted bidders, including a consortium led by state-owned **Shipping Corp. of India Ltd**, decided against submitting price bids. The Welspun consortium includes **Welspun Infratech Ltd**, **Welspun Corp. Ltd** and **Leighton Welspun Contractors (India) Pvt. Ltd**.

"The bids submitted separately by Mundra Port and Welspun contain technical and financial proposals. The technical bids will now be scrutinized for responsiveness and compliance. On completion of the technical evaluation, the financial bids shall be

opened," said A.S. Suresh Babu, managing director and chief executive of Vizhinjam International Seaport, a special purpose company set up by the Kerala government to implement the project.

This is the fourth attempt since 2003 by the Kerala government to develop a port at Vizhinjam near the state capital Thiruvananthapuram.

The southern state has hired International Finance Corp., a member of the World Bank group, as an adviser for designing and implementing the transaction. The port at Vizhinjam will have a capacity to load 2.8 million standard containers and 1.8 million tonnes of other types of cargo, excluding containers, a year.

The project is split into two parts—the first is for the design, engineering, financing, development of superstructure such as buildings and cargo handling equipment at the port as well as the operation, maintenance and management of the terminals at an estimated cost of ₹970 crore.

The successful bidder will have a conditional right of first refusal in the subsequent engineering, procurement and construction (EPC) tender for the civil infrastructure construction, which is estimated to cost another ₹1,650 crore.

This first right of refusal, though, will be granted to the successful port operator only if it comes within 15% range of the rate quoted by the lowest bidder for the EPC tender.

The bid will be decided in favour of the entity seeking the lowest financial support from the state government or those willing to share the highest quantum of annual operating revenue with the state government. Experts say Vizhinjam, with a natural water depth of 18-22 metres, does not need maintenance dredging and has the potential to become India's deepest port, allowing ultra large ships to call, including those with a capacity to carry 12,500 standard containers. The port will be within 10 nautical miles of the east-west international maritime route.

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