

Request for Qualification for selection of strategic partner for Management, Operation and Maintenance (the “MOM”) of the container and multipurpose terminals at first development phase and interim operation of existing port facilities at Shahid Beheshti – Chabahar Port, Islamic Republic of Iran

Replies to the Pre-Application Queries

Sr. No.	Clause No, Page number	Query/Suggestions	Replies to the Queries
1.	Clause 1.1.3, Page number 11	What are the obligation (detailed) on the part of Operator (Strategic Partner) as per contract entered between IPGL and Aria Banader Iranian Port.	The same shall be detailed out in the Management Agreement and will be made available at the RFP stage.
2.	Clause 1.1.3, Page number 11	Please provide layout of the port along with Equipment and associated equipment to be installed during the first phase of the project.	The port layout along with the list of equipment under procurement has been provided as part of the presentation uploaded. The equipment for both Container and Multipurpose berths are under procurement.
3.	Clause 1.1.3, Page number 11	Please provide Traffic Study Report of Chabahar Port, if any conducted by IPGL or any other government authorities.	The Traffic study shall be made available at the RFP stage. However, the bidders may refer to Ports and Maritime Organisation, Iran (PMO) website at http://www.pmo.ir/en/home .
4.	Clause 1.1.3, Page number 11	Please provide details of any restriction, if any imposed by Iranian Authority in relation to operation of the port.	No restriction in relation to operation of the port.
5.	Clause 1.1.3, Page number 11	Please provide IPGL and Aria Banader Iranian Port obligation in relation to operation of the port like as Maintenance Dredging, Capex requirement during the operation phase etc.	The same shall be detailed out in the Management Agreement and will be made available at the RFP stage. The Maintenance Dredging is the responsibility of Iranian Authorities and is not in the scope of strategic partner.
6.	Clause 1.1.3, Page number 11	All the permission/approvals required for construction and operation of the port	As the strategic partner in the project SPV, the selected bidder will be responsible for obtaining all the permission / applicable

		shall be arranged by respective authorities and Operator shall not be responsible for any approval/permission during the entire tenure of the agreement. Please confirm the understanding	approvals as per the Iranian laws required for management, operation maintenance of the Project. The Authority shall assist in this regard.
7.	Clause 6.3, Page number 62	What is the total project cost for first phase of the Chabahar Port along with bifurcation of amount to be invested by IPGL and Aria Banader Iranian Port	The investment in the project by Indian side is approximately USD 85 million for procurement of equipment and USD 150 million credit line to Iran by EXIM bank.
8.	Clause 1.1.2, Page number 11	What would be the salient terms of the Shareholder Agreements to be entered by Operator with IPGL for subscription in equity share capital in project SPV.	The same shall be detailed out in the Management Agreement and will made available at the RFP stage.
9.	Clause 6, Page number 37	It is understood that all the facilities for operation of the port along with Capital Dredging will be in place prior to effective date of the contract. Please reaffirm the understanding.	Capital Dredging is the responsibility of Iranian Authorities and not in the scope of strategic partner.
10.	Clause 6, Page number 37	Please provide any restriction imposed within Iran towards Formation of Company and Employees law.	The Applicant may get acquainted with all Iranian laws and rules in regards to the Company formation. Similarly for employees, local laws with respect to payrolls, insurance, social security organisation and compliance to safety, work accidents including death and disability shall be the responsibility of the selected bidder as SPV partner / O&M operator. Please note the white collar staff can be any nationality but blue collar staff shall be Iranian nationals.
11.	Clause 1.1.3, Page number 11	What are the other support facilities required to be provided by the Operator which he is required to design and develop, finance and operate?	The support facilities may include establishment of the office equipped with basic amenities like furniture, cooling & heating system etc. within the port premises at the space provided by IPGL and installation of IT systems, workshop for repair of

		Will he be compensated for the expenditure involved in financing such a support facility?	<p>equipment, transit shed, warehouse, safety equipment, sanitation, environment protection to name a few.</p> <p>Further, the berths have already been developed and development of other requisite infrastructure to operate the terminal will be the responsibility of the bidder. The equipment will be procured by IPGL and hence major capital investment from the selected bidder in development of infrastructure is not envisioned for the project.</p>
12.	Clause 1.1.3, Page number 11	Please indicate the currency in which the Operator will be paid. If it is paid in Iraqi currency or US dollars, how is it going to be repatriated?	The same shall be detailed out at the RFP stage.
13.	Clause 1.1.3, Page number 11	What are the payments to be made to the Operator for this service	Please refer to the clause 1.2.8 of the RFQ.
14.	Clause 1.1.3, Page number 11	What is the present stage of the construction of the container terminal and the multipurpose terminal? What are the timelines for procurement and installation of the Equipment? When are the Terminals likely to be commissioned?	<p>Constriction of both the terminal is almost complete. Equipment are being ordered and commercial operation are likely to commence in end of 2018.</p> <p>Proposed interim operation with existing equipment may start within 3-4 month.</p>
15.	Clause 1.1.3, Page number 11	What are the proposed capacities of the Container Terminal and the Multipurpose Terminal in the first Phase?	The annual capacity of the Container Terminal is 600 thousand TEU and of Multipurpose Terminal is 1.0 million tone.
16.	Clause 1.1.3, Page number 11	It is presumed that the port authority will take the necessary insurance covers for the berths and the equipment. Please confirm	The selected SPV partner as O&M operator will have to undertake at his own cost purchase of all risk insurance policies for the installations handed over and equipment in use within the Area of Terminal other than the berth infrastructure.

17.	Clause 1.1.3, Page number 11	It is presumed that the Port Authority will obtain and maintain required statutory clearances and permissions as may be required by law for operation and maintenance of all the equipment. Please confirm.	All the statutory clearances and permissions as per the Iranian laws required for management, operation maintenance of the Project have to be undertaken by the selected bidder as SPV partner. The Authority shall guide and cooperate in this regard.
18.	Clause 1.1.3, Page number 11	What are the reefer handling facilities that will be made available at the Terminal? What are the charges payable to the Operator for rendering reefer services?	Reefer points of approximately 120 for 20 foot containers and approximately 400 for 40 foot containers is expected to be available at the terminal. PMO is responsible for regulating tariff annually for all the ports in Iran including Chabahar. Please refer to the PMO website for current tariff.
19.	Clause 1.1.3, Page number 11	It is presumed that the port authorities will take necessary statutory clearances including environmental clearances for operations at the port. Please confirm.	All the statutory clearances and permissions as per the Iranian laws required for management, operation maintenance of the Project have to be undertaken by the selected bidder as SPV partner. The Authority shall guide and cooperate in this regard.
20.	Clause 1.1.3, Page number 11	Is there a sufficient ecosystem available for container handling like CFSs, container repair handling facilities, reefer trucks, SEZs, FIWZs available in the nearby area?	Applicants to carry out their due diligence.
21.	Clause 1.1.3, Page number 11	What are the commodities envisaged to be handled at the container terminal and the multipurpose terminal? Is there a traffic study done. If so please make available a copy of the Report? What are the details of the existing container/bulk traffic handled at the port?	Applicants to carry out their due diligence however the same shall also be provided at the RFP stage.
22.	Clause 1.1.3, Page number 11	What is the extent of land envisaged for the Project?	Details are available in the presentation uploaded.

23.	Clause 1.1.3, Page number 11	What are the evacuation arrangements for the cargo at the proposed Facility? It is presumed that the port authority will provide the rail/road connectivity for these terminals at its own cost and maintain them. Please confirm with details.	The Iranian Authority will provide full road access to the assigned area at his own responsibility and expense.
24.	Clause 1.1.3, Page number 11	It is presumed that as far as power and water supply is concerned, the port authority will make them available to the O&M Operator from its own sources. Please confirm.	The Iranian Authority will provide necessary water supply, electricity and telephone utilities at the prevalent rate which would be borne by the strategic partner.
25.	Clause 1.1.3, Page number 11	Is there a Detailed Project Report/Feasibility Report available for the Project and if so, a copy may please be made available.	Applicants to carry out their due diligence however information related to potential traffic will be made available at the RFP stage.
26.	Clause 1.1.3, Page number 11	A lay out plan of the proposed Facility may please be provided.	The port layout has been provided as part of the presentation uploaded.
27.	Clause 2.2.1 (d), Page number 16	It says that an applicant shall be liable for disqualification if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Applicant. Please indicate the names of the legal, financial and technical advisers of the Authority in relation to this Project.	EY LLP along with Tadvin, Iran has been appointed as the project consultants for this project.
28.	Clause 2.2.6, Page number 18	Please confirm that for the purpose of incorporation of an Indian entity under the Iranian Law there is no requirement of any minimum Iranian shareholding in such Operating Company. Kindly share the Iranian company law act document.	Please refer to the response to query at serial number 10.

29.	Banking System	Kindly share the details on Iranian Banking System	Applicants to carry out their due diligence in this regard.
30.	Insurance System	Kindly share the Iranian Insurance system such as Personnel Insurance System & third Party Insurance system	Applicants to carry out their due diligence in this regard.
31.	Appendix IV, Page 60	In case there is a consortium member from outside India, normally the Joint bidding Agreement is executed and issued in India and sent to the foreign consortium member for signatures. In that case, please confirm that there no need to legalize the document by the Indian Embassy and notarized abroad.	No change. The RFQ conditions prevail.
32.	Clause 3.2.1, Page number 32	This provision may be deleted as the experience cannot be measured in terms of the equity holding. For example, there can be Terminals, where one of the shareholders can be the actual operator and has all the relevant experience minimum Iranian shareholding in such Operating Company.	The documentary evidence in regards to the minority shareholder undertaking sole operations will be considered for full throughput irrespective of the shareholding contribution in the consortium.
33.	General	Connectivity: a) Road: The report mentions that the facility is well connected, by Road, to CIS nations, Europe, Central Asia, Afghanistan and Middle Eastern countries. Please specify the on-ground distances with respect to the hinterland b) Rail: Current rail connectivity if any to the port.	a) Road distances are mentioned in the presentation uploaded, same will also be provided at RFP stage. b) Rail i. The Chabahar - Zahedan Railway line substructure work is in progress. India's state-owned IRCON is expected to do

		<p>i. The report mentions future rail linkages between Chabahar to Zahedan (Approx. 630 Km) and Chabahar and Hajigak mines in Afghanistan. We understand that IRCON is building this line. Please let us know the status of this line</p> <p>ii. Assistance in securing approvals from relevant authority for end to end connectivity for the port to be included in the scope of the Authority</p>	<p>the superstructure of this 630 kilometrerail line from Chabahar port to Zahedan as part of the transit corridor to Afghanistan. Further, the rail links between Chabahar and Hajigakmines via Zaranj and Delaram have also been announced.</p> <p>ii. The end to end connectivity for the port is not in the scope of the selected bidder as an O&M operator. The Authority may assist in obtaining relevant approvals if the proposal has a merit for enhance of traffic at the Port.</p>
34.	General	<p>a) Traffic: Is development of market and attracting traffic volumes for Chabahar port in “Operator’s” scope?</p> <p>i. Is there a traffic study report available for ready reference?</p> <p>ii. The report mentions that the “Operator” needs to develop market for the port and meet minimum traffic guarantees. Is this the case? What is the minimum throughput envisaged? Are there any expansion plans (including</p>	<p>i. Development of market is in the scope of the operator and a traffic study will be made available at RFP stage. The bidders are encouraged to also undertake own due diligence.</p> <p>ii. Minimum traffic guarantee will be provided at the RFP stage. Minimum throughput will be combination of traffic handled at container terminal and Multi-purpose terminal. This will be measured in TEU and cargo handled at multi-purpose terminal will be converted to TEU using 13 tonnes per TEU.</p>

		<p>further dredging plans) for Bandar Abbas?</p> <p>iii. What is the update on the free trade zone. Which companies have already signed a MOU/agreement to set up facilities at the free trade zone</p>	<p>iii. Chabahar free trade zone has a total area of 14,000 hectares which include 10,000 hectare —3,000 light and 7000 heavy— for industries</p> <ul style="list-style-type: none"> • Korea Electric Power Corporation (KEPCO), POSCO Engineering & Construction, POSCO Energy and PKP has signed an MoU to build 1000 MW off-gas power plant • POSCO, South Korea to built a 1.6 million tonne steel plant with Iran’s Pars Kohan Diar Parsian Steel (PKP) • SWAUPE International Ltd to set up mini refinery, 400 MW power plant, solar park, residential and office complexes
35.	General	<p>Infrastructure & Labor: Phase I includes 2 container terminals and 3 multipurpose berths.</p> <p>a. Is there a cargo wise restriction for each of the multipurpose berth in the concession?</p> <p>b. Is there any restriction or condition to hire particular number of local labors within the port, in the concession?</p> <p>c. Siltation conditions and amount of maintenance dredging, if any, to be by the “Operator”</p>	<p>a) Operator is allowed to handle any cargo with the equipment provided by IPGL. Procurement of additional equipment for any other cargo will require prior permission of the Iranian Authorities.</p> <p>b) Details will be provided in the RFP stage. However, Applicant may get acquainted with all Iranian laws and rules in regards to the Employees</p> <p>c) Maintenance dredging is not in the scope of SPV partner</p>
36.	General	<p>Permits: The report mentions that the “Operator” needs to develop, obtain and maintain applicable permits, insurances.</p>	<p>Please refer to query number 6.</p>

		a. Please specify the permits required and not yet obtained b. Securing any permits and clearance to be included in the scope of the Authority	
37.	General	Bidding Parameter: How will the fixed management fee for the "Operator" computed?	A fixed amount will be paid to the operator to minimise his risks related to working capital. Exact amount to be paid as fixed management fee will be provided in the RFP stage.
38.	General	Revenue: Process of repatriation of the revenue earned back to India	There is no tax on repatriation of profits from Iran. Iranian law provide an absolute guarantee in favor of investor working under FIPPA license to repatriate its benefits and the revenue of the liquidation of the investment.

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