

**Selection of Strategic Partner
For
Development of Free Trade Warehousing Zone
AT
KANDLA, GUJARAT
REQUEST FOR PROPOSAL**



**Issued by
Kandla Free Trade Warehousing Private Limited**

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DISCLAIMER

1. The sole purpose of this RFP document is to assist the interested parties to participate in the Bidding Process (hereinafter defined) for selection of the Strategic Partner for the development of the Project.
2. The information contained in this RFP document or subsequently provided to Bidders (defined hereinafter) whether verbally or in documentary form by or on behalf of KFTWPL (formerly Integrated Warehousing Kandla Project development Private Limited i.e. IWKPDPL), FTWPL (Free Trade Warehousing Pvt. Ltd.) or any of its employees or advisors or that from IL&FS or MMTC (collectively referred to as "**Sponsor Representatives**"), is provided to the interested parties on the terms and conditions set out in this RFP document and any other terms and conditions subject to which such information is provided.
3. This RFP Document does not constitute, either express or implied, an agreement or offer or invitation by KFTWPL or the Sponsor Representatives to appoint any party as the Strategic Partner for the development of the Project. Neither KFTWPL, FTWPL nor the Sponsor Representatives make any claim or give any assurance as to the accuracy or completeness of the information provided in this RFP document. Interested parties are advised to carry out their own investigations and analysis of any information contained or referred to herein or made available at any stage in the Bidding Process in relation to the Project.
4. This RFP document is provided for information purposes only and upon the express understanding that such parties will use it only for the purpose set forth above. It does not purport to be all-inclusive or contain all the information about said Project. While this RFP document has been prepared in good faith, no representation or warranty, express or implied, is or will be made, and no responsibility or liability will be accepted by KFTWPL, FTWPL or Sponsor Representatives or any of their employees, advisors or agents as to or in relation to the accuracy or completeness of the RFP document or any other oral or written information made available to any interested recipient or its advisors at any time during the Bidding Process for execution of the said Project and any liability thereof is hereby expressly disclaimed.
5. Information provided in this RFP to the Bidder(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is

not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. KFTWPL accepts no responsibility for the accuracy or otherwise of any interpretation or opinion on law expressed herein.

6. This RFP document has not been filed, registered or approved in any jurisdiction. The possession or use of this RFP in any manner contrary to any applicable law is expressly prohibited. The Bidders shall inform themselves concerning, and shall observe any applicable legal requirements. The information does not purport to be comprehensive or to have been independently verified. Nothing in this RFP shall be construed as legal, financial or tax advice. The interested parties should inform themselves of and observe any applicable legal requirements.
7. KFTWPL, FTWPL and the Sponsor Representatives and also their advisors/ consultants/ representatives/ employees make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RFP document.7.
8. The issue of this RFP does not imply that KFTWPL is bound to select a Strategic Partner for the Project. KFTWPL, FTWPL and the Sponsor Representatives reserves the unqualified right and authority to reject any or all of the Bids (hereinafter defined) submitted in response of this RFP and terminate the process at any stage and at any point of time whatsoever without assigning any reasons thereof and shall not incur any liability of any nature, direct or indirect on account of such rejection or termination of the process.
9. KFTWPL, FTWPL and the Sponsor Representatives may, in their absolute discretion but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFP.
10. KFTWPL, FTWPL or the Sponsor Representatives make it clear and advise the interested bidders to assess on their own, the ingress and egress to the Leased Area, and the actual area available for development and all other related matters pertaining to the development of the project site. Reference may be made to the SEZ rules, building rules, building laws or any other rules/ norms laid down by Kandla Port Trust or any other authority for such assessment. The interested parties are free to do the site and layout inspection as well as the inspection of

the existing infrastructure facilities at the site.

11. The Bidders are prohibited from any form of collusion or arrangement in an attempt to influence the selection and award process of the Bid. Giving or offering of any gift, bribe or inducement or any attempt to any such act on behalf of the Bidder towards any officer/employee/ advisor/ representative of or to any other person in a position to influence the decision of KFTWPL for showing any favour in relation to this RFP or any other contract, shall render the Bidder to such liability/penalty as KFTWPL may deem proper, including but not limited to rejection of the Bid of the Bidder and forfeiture of its Bid Security.
12. Laws of the Republic of India are applicable to this RFP.

NOTICE INVITING TENDER

1.0 INTRODUCTION

1.1 This Request for Proposal (“RFP”) is issued by Kandla Free Trade Warehousing Private Limited (formerly Integrated Warehousing Kandla Project Development Private Limited (“KFTWPL”).

1.2 Free Trade Warehousing Private Limited (“FTWPL”) was incorporated pursuant to a Memorandum of Understanding dated 6th October 2004 (“MOU”) between Infrastructure Leasing and Financial Services Limited (“IL&FS”) and MMTC Limited (“MMTC”) for developing and implementing projects to establish Free Trade and Warehousing Zones (“FTWZ”) across India.

1.3 KFTWPL (a private limited company incorporated under the Companies Act, 1956 for developing Free Trade Warehousing Zone at Kandla) is a 100% subsidiary of FTWPL.

1.4 The Office of the Development Commissioner, Kandla Special Economic Zone (“KASEZ”) has vide sub-lease deed dated 16.03.2007 allotted One Hundred (100) acres of land area for the Kandla FTWZ, which has been reduced to 75 (seventy five) acres vide letter no. KASEZ/EM/II/66/2005/16787 dated 03.03.2010, received from KASEZ (“Leased Area”). The said land of KFTWPL will be a part of the existing Kandla SEZ. However, the actual area available for Development, upon application of applicable Rules and Regulations and considering the facilities already developed at the site, may be different from such Leased Area. KFTWPL has signed the Co-Developer agreement with Kandla SEZ (“KASEZ”) for developing the Kandla FTWZ, pursuant to which, KFTWPL has been given formal Co-Developer approval by the Department of Commerce, Ministry of Commerce & Industry, Government of India, for setting up the Kandla FTWZ.

1.5 KFTWPL has, vide Letter No. F.2/18/2005-EPZ dated 15th February 2007 issued by the Department of Commerce, Ministry of Commerce and Industries, Government of India, been given the Co-Developer approval to develop the project for setting up a Free Trade Warehousing Zone (hereinafter “Kandla FTWZ”) for providing specialized multi product warehousing services at Kandla (“Project”).

1.6 KFTWPL will undertake/is undertaking the design, financing, development, construction, marketing, operation and maintenance of the Kandla FTWZ.

1.7 KFTWPL is now facilitating the process of selection of a Strategic Partner interested in acquiring 100% of the shareholding of KFTWPL through an open and competitive Bidding Process. FTWPL shall retain the right to continue to hold equity stake in KFTWPL subject to a maximum of 26%, only in the event the consent of the office of the Development Commissioner has not been granted for the sale of 100% of the shareholding of KFTWPL

1.8 Minimum Eligibility Criteria for Bidders is detailed in Clause 9 of this RFP.

1.9 Upon selection of the Selected Bidder (defined below) and execution of the documents required for consummation of the this transaction, IL&FS shall make an application before the National Company Law Tribunal to grant its approval for the transaction. This transaction shall take effect only upon receiving the approval of the National Company Law Tribunal.

2.0 BID PROCESS INFORMATION

2.1 BID STRUCTURE

KFTWPL through this Request for Proposal seeks the following from the bidders:

A. TECHNICAL PROPOSAL (“TP”)

(a) Statement of Qualification (“SOQ”)

(b) Detailed Development Proposal (“DP”)

B. FINANCIAL PROPOSAL (“FP”)

2.2 ISSUE OF RFP

The RFP documents will be available for download from the company website from **30.01.2019 to 15.03. 2019**. The document is free of cost.

2.3 BID PROCESS SCHEDULE

The schedule for availability of RFP document and submission of Proposals is as under:

| Sr No. | Event Description | Date |
|--------|--|---|
| 1 | Last date for receiving queries: | [12.02.2019] |
| 2 | Pre-Bid meeting: Date,Venue & Time | [14.02.2019] MMTC Ltd. Core-1, Scope Complex, 7 Institutional Area, Lodhi Road, New Delhi- 110003 At 3.00 P.M |
| 3 | KFTWPL's response to queries latest by: | [18.02.2019] |
| 4 | Receipt of TP and FP from Bidders ("Bid Due Date") | [18.03.2019] on or before 1500 hours IST |
| 5 | Opening of TP | [18.03.2019] at 5.00 PM |
| 6 | Opening of FP | To be informed to the Shortlisted Bidders i.e. the Bidders who have qualified the technical evaluation. |
| 7 | Letter of Award (LOA) | Within [45] days of opening of FP. |
| 8 | Validity of Bids | 180 days of Bid Due Date |
| 9 | Execution of SPA | Within thirty(30) days from the date of LOA |

2.3.1 Bids received from Bidders who do not meet the minimum eligibility criteria as per Clause 9 of this RFP are liable to be rejected.

2.3.2 The above schedule is tentative KFTWPL reserves all rights to change the above schedule at any time during the Bidding Process, at its sole discretion without assigning any reason or being liable for the same in any manner whatsoever.

In such a case, suitable update/information will be posted on the websites, where RFP is available for download. It will be the responsibility of the Bidders to track the information from the respective sites mentioned under Clause 2.2 Further KFTWPL reserves the right to hold, in its sole and absolute discretion, more than one pre-bid

meeting or hold one or more consultation meetings with the interested parties and in such event the above schedule shall stand modified and amended.

2.4 BID SECURITY

A Bidder shall deposit, along with its Bid, a Bid Security equivalent to Rs.2,00,00,000/- (Rupees Two Crores only). either in the form of a Demand Draft from a scheduled commercial bank or a foreign bank having a branch in India, or an unconditional and irrevocable Bank Guarantee from a Scheduled commercial bank in favour of Free Trade Warehousing Private Limited (acting through KFTWPL) (“**Bid Security**”).

In case of Bid Security provided in the form of Bank Guarantee, the same shall be as per the format given in Appendix 10. The validity period of the Bid Security, shall not be less than 240 (two hundred and forty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended, as may be mutually agreed between KFTWPL and the Bidder from time to time.

In case the Bank Guarantee is issued by a foreign bank outside India, confirmation of the same by any nationalised bank in India is required.

The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
For the avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.

2.5 SUBMISSION OF BIDS

Bids complete in all respects shall be submitted on or before the due date mentioned in Clause 2.3 at the following address. Bids received after the prescribed time on the Bid Due Date shall not be considered.

**Director-KFTWPL
MMTC Ltd.
Core-1, Scope Complex,
7 Institutional Area,
Lodhi Road,
New Delhi- 110003**

2.6 ELIGIBILITY CRITERIA FOR BIDDERS

Bidders desirous of submitting their offers against this RFP shall satisfy the Minimum Eligibility Criteria specified under Clause 9 of this RFP document.

3.0 FTWZ POLICY OF GOI

3.1 The FTWZs are special category of Special Economic Zones (“**SEZs**”) and are governed by the SEZ Act 2005 and the SEZ Rules. The units located within the FTWZ would be provided with significant benefits as available to the units within SEZ. The activities permitted within the FTWZ would be limited to

packing, de-stuffing, knitting, splitting and other activities required for storage. For complete version of SEZ Act 2005 and SEZ Rules 2006 and further amendments therein, refer to website www.sezindia.nic.in. The interested parties are advised to peruse the SEZ Act, 2005, SEZ Rules, 2006 (including any amendments thereto, if any) and all other applicable legislations, rules etc. to familiarize themselves with the same.

3.2 The primary objective of the FTWZ is to create trade-related infrastructure to facilitate the import and export of goods and services with the freedom to carry out trade transactions in free currency. The scheme envisages creation of world-class infrastructure for warehousing of various products, state-of-the-art equipment, transportation and handling facilities, commercial office-space, water, power, communications and connectivity, with one-stop clearance of import and export formality, to support the integrated Zones as ‘international trading hubs’.

3.3 The FTWZ is envisaged to be developed along the lines of a SEZ, wherein the area under development would be classified as a deemed foreign territory, and the units operating within the zone would be accorded special status and provided fiscal and non-fiscal benefits as eligible under applicable laws. However, while the SEZ has been developed with the express intent of facilitating the growth of export oriented manufacturing units, the FTWZ policy has been evolved to provide much-needed infrastructure required for trading and storage activities relating to foreign trade.

4.0 IMPORTANT INFORMATION

(i) In January 2009, KFTWPL had encashed the bid security of Rs 20 million, provided by M/s Maytas Construction Private Limited (“**Maytas**”) on the grounds of breach of tender terms for the Project. The suit for permanent injunction filed by Maytas to restrain the invocation of the bid security was withdrawn with the liberty to initiate fresh legal proceedings for recovery of the said amount from KFTWPL.

The amount of Rs 20 million, being the amount of bid security encashed in January 2009, is shown under the head “current liabilities” in the Audited Balance sheet of KFTWPL.

(ii) In 2011, IWKPDPL (now known as KFTWPL) on behalf of MMTC and IL&FS had issued an RFP. Pursuant to the above mentioned RFP, M/s LMJ International Ltd. “(LMJ)” participated in the bidding process and was selected as the preferred bidder and a Letter of Award (LOA) was issued to it. However, LMJ did not proceed to comply with the terms of the LOA due to which IWKPDPL encashed the bid security (in the form of a bank guarantee) submitted by LMJ. Therefore, LMJ filed a civil suit in the year 2017 before the Hon'ble Delhi High Court, for the recovery of the amount of the bank guarantee encashed, together

with the interest and other charges. These amounts are therefore sub-judice and are as such represented in the Balance Sheet of KFTWPL.

(iii) In September, 2018, KFTWPL was served an eviction notice, due to nonpayment of the outstanding lease rentals and user charges, from KASEZ. In response to this, KFTWPL had submitted a written request seeking time for clearing the outstanding payment. KASEZ vide its letter dated 14th November.2018 has granted extension till 28th February 2019 to clear the outstanding dues.

(iv) In 2014, the Ministry of Commerce, Government of India had withdrawn the KFTWPL “Co-developers” status. However, pursuant to the representation made by KFTWPL, the same was restored by the Board of Approvals, Ministry of Commerce, Government of India in 2015.

Bidders are encouraged to conduct their due diligence audit in respect of the above matters and any future proceedings in this regard shall not provide the Bidders /Selected Bidder with any grounds for withdrawal of their Bids.

5.0 DESCRIPTION OF BIDDING PROCESS

KFTWPL has adopted a Single-stage two- envelope bidding process (referred to as the “Bidding Process”) for selection of a Strategic Partner for award of the Project. The Bid submission is envisaged in two parts, i.e. **Technical Proposal (Envelope-1) & Financial Proposal (Envelope-2)**.

The interested parties i.e. the Bidders, can submit their Bids in accordance with the provisions of this RFP (the "Bidder", which expression shall, unless repugnant to the context, include a Consortium).

Bidders would be expected to examine the Project in detail, and to carry out such studies, due diligence as may be required to submit meaningful proposals for the implementation of the Project.

6.0 INSTRUCTIONS TO BIDDERS

6.1 General Terms of Bidding

6.1.1 KFTWPL has issued this RFP document to the Bidders and invites them to submit their detailed TP and FP for selection as the Strategic Partner for the development of the Kandla FTWZ.

6.1.2 The Bidder may be a single entity or a group of entities (the “**Consortium**”), coming together to implement the Project. No Bidder shall submit more than one Bid for the Project. A Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another bid for the Project either individually or as a member of any Consortium, as the case may be.

6.1.3 A Bidder may be a natural person, private entity, [Government-owned entity] or any combination of them with a formal intent to enter into an agreement or under an existing agreement to form a Consortium. A Consortium shall be eligible for consideration subject to the conditions set out in Clause 6.2 below.

6.1.4 Any entity which has been barred by the Central/ State Government or any entity controlled by them in India or abroad, from participating in any project, and the bar subsists as on the Bid Due Date or had been imposed at any time in the last three (3) years immediately prior to the Bid Due Date, would not be eligible to submit a Bid. In case of a foreign entity, the same should not have been barred in the jurisdiction of its incorporation or at any other place where such foreign entity shall have undertaken any projects/ assignments, by any public or other authority in the last three (3) years immediately prior to the Bid Due Date.

6.1.5. The Bidder shall confirm that the Bidder does not suffer from ineligibility or disqualification in terms of Section 29A of the Insolvency and Bankruptcy Code, 2016.

6.1.6 A Bidder or Associate should, in the last 3 (three) years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder, or Associate thereof, as the case may be, nor has been expelled from any project or contract by any public entity nor have had any contract terminated by any public entity for breach by such Bidder or Associate thereof.

6.1.7 The documents including this RFP and all attached documents, provided by KFTWPL under this Bidding Process are and shall remain or become the property of the KFTWPL and are transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are to treat

all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders.

6.1.8 A Bidder shall be liable for disqualification and forfeiture of Bid Security if any legal, financial or technical advisor of KFTWPL, FTWPL and the Sponsor's Representatives in relation to the Project, is engaged by the Bidder or any Associate thereof, as the case may be, in any manner for matters related to or incidental to such Project during the Bidding Process or subsequent to the (i) issue of the LOA or (ii) execution of the Share Holders Agreement/ Share Purchase Agreement.

In the event any such adviser is engaged by the Selected Bidder, after issuance of the LOA or execution of the Share Holders Agreement/ Share Holders Agreement, for matters related or incidental to the Project, then notwithstanding anything to the contrary contained herein or in the LOA or the Share Holders Agreement/ Share Purchase Agreement and without prejudice to any other right or remedy of the KFTWPL, FTWPL and the Sponsor's Representatives, including the forfeiture and appropriation of the Bid Security or Performance Security, as the case may be, which the KFTWPL, FTWPL and the Sponsor's Representatives may have there under or otherwise, the LOA or the Share Holders Agreement/ Share Purchase Agreement, as the case may be, shall be liable to be terminated without KFTWPL, FTWPL and the Sponsor's Representatives being liable in any manner whatsoever to the Selected Bidder for the same. For the avoidance of doubt, this disqualification shall not apply where such adviser was engaged by the Bidder or Associate in the past but its assignment expired or was terminated 6 (six) months prior to the date of issuance of RFP for the Project nor will this disqualification apply where such adviser is engaged after a period of 3 (three) years from the date of commercial operation of the Project.

6.1.9 The Bidder should submit a Power of Attorney as per the format enclosed in Appendix-2, authorizing the signatory of the Bid to commit the Bidder.

6.1.10 KFTWPL in consultation with FTWPL may, at any time, for any reason whatsoever, including to meet the objectives set out in the Report on Progress and Way Forward dated 30th October 2018 to the Ministry of Corporate Affairs, Government of India and any further reports that will be submitted by IL&FS to the Ministry of Corporate Affairs, Government of India and / or to NCLT and / or the National Company Law Appellate Tribunal, whether or not by their own initiative, without assigning any reason thereof, amend, modify or supplement this RFP by an amendment. Such amendment and / or modification can be made by way of e-mails,

uploaded on the data room, or any other mode of writing as KFTWPL/ IL&FS deems fit, and such amendment shall be binding on the Bidders. It is the responsibility of the Bidders to check the data room for any such amendments or modifications or updates to the RFP.

6.2 Consortium

6.2.1 In case the Bidder is a Consortium, members thereof shall submit a Power of Attorney in favor of the Lead Member in the format at **Appendix-4**. Each signatory to the MOU will be required to obtain a Power of Attorney in the manner and form enclosed in **Appendix-2** authorizing them to commit their respective companies.

6.2.2 The number of members in a Consortium shall be subject to a cap of three (3) members that would include the Lead Member and the technical member (which can also be the same entity). The Lead member would be regarded as lead financial member and would be responsible for achieving financial closure both with respect to the equity stake as well as with respect to debt portion. For the purpose of technical qualification, the respective Consortium members whose credentials will be considered for evaluation shall have a minimum equity stake of 26% in the Consortium.

An individual Bidder cannot at the same time be member of a Consortium applying for pre-qualification. Further, a member of a particular Consortium cannot be member of any other Consortium applying for pre-qualification;

6.2.3 Members of the Consortium shall enter into a binding Joint Bidding Agreement substantially based on the Principles specified at **Appendix-3**. The Joint Bidding Agreement shall, inter alia,

- 1) Convey the intent to form a Consortium that would carry out the activities as detailed out in Clause 7.
- 2) Also clearly outline the proposed shareholding of each of the Consortium members in the Consortium and outline the roles and responsibilities of each member at each stage.
- 3) Commit the minimum equity stake to be held by each member of the Consortium in KFTWPL, if selected.
- 4) Appoint one of the members of the Consortium as its Lead Consortium Member as per Clause 6.2 and 6.3.
- 5) Designate a person from the Lead Member as its authorized representative who will be authorized to perform tasks that involve receiving communication from and providing responses to KFTWPL.

- 6) Include a statement to the effect that all members of the Consortium shall be liable jointly and severally for all obligations of the Selected Bidder in relation to the Project in accordance with this RFP document and the Share Purchase Agreement.

Except as provided under this RFP and the bidding documents, there shall not be any amendment to the Joint Bidding Agreement without the prior written consent of the Authority.

The Bidder or each member of the Consortium should provide the details as per **Appendix-5**. The data formats must be supported either by a certificate from a Chartered Accountant/Certified Public Accountant or could include published and audited annual accounts duly certified by a Company Secretary/Director Finance/Chief Finance Officer of the Bidder/members of the Consortium.

6.3 Minimum equity shareholding

6.3.1 The Bidder would be required to quote a Share Purchase Consideration for purchasing 100% of the equity share capital of KFTWPL. The Bidder shall quote Share Purchase Considerations for purchasing 100% equity in the Financial Proposal. FTWPL, shall have the right to retain its equity holding up to a maximum of 26% shareholding of KFTWPL.

6.3.2 In case the Selected Bidder is offered 100% equity, there shall not be any restrictions on the structure of the Consortium or equity holding of the members of the Consortium in KFTWPL post completion of all transactions. For the avoidance of doubt, no change in the composition of a Consortium shall be permitted until all transactions pertaining to transfer of shares of KFTWPL in favor of Selected Bidder are complete.

6.3.3 Subject to clause 6.3.1 above, in case the Selected Bidder is offered 74% of the equity in KFWPL, the minimum equity holding of the Selected Bidder /Lead Member (in case of a Consortium), shall not fall below 26% of the paid up equity share capital of KFTWPL, up till two (2) years after the completion of all transactions ("**Minimum Holding Period**"). Where the Bidder is a Consortium,

a. The flexibility to induct new members in the Consortium would be allowed during the construction and operation phases subject to the condition below.

b. Member who is designated as the Lead Member of the Consortium, would be required to hold at least 26% of the paid up equity share capital of KFTWPL, during the Minimum Holding Period as stated above in Para 6.3.2 and 6.3.3 as applicable.

6.4 National Security

The submissions received from any Bidder may be summarily rejected on national security considerations without any intimation thereof to the Bidder.

6.5 Project Area inspection and Verification

6.5.1 (a) Bidders, can at their option, and with suitable prior notice to KFTWPL, visit and examine the Project site and its surroundings including inter alia the layout of the plot, condition of the site, available infrastructure facilities etc and assess the Developable Area within the Leased Area. The Bidder and any of its personnel and agents will be granted permission by KFTWPL (subject to necessary approvals from statutory agencies as applicable for area within KASEZ) for the purpose of such inspection on the express condition that the Bidder, its personnel and agents will release and indemnify KFTWPL, its promoters, its employees, officers and agents from and against all liability in respect thereof. The Bidder will solely be responsible for death or personal injury, loss, damage to property and any other loss, damage, costs and expenses incurred to or suffered by any person or property of the bidder / consortium or KFTWPL or any of its representatives or employees etc. as a result of the inspection KFTWPL shall render all necessary assistance to the Bidders to facilitate such visits. The cost and expenses of visiting the site, if any, shall be borne by the Bidders/Consortia.

b) The sub-lease deed in respect of the FTWZ area was executed on 16.03.2007, read with letter of KASEZ dated 03.03.2010 and minutes of meeting of KASEZ dated 26.12.2011. Further, as on date KFTWPL has entered into the following lease arrangements in respect of the FTWZ area:

- i. Agreement dated 01.08.2018 with M/s Sequel Logistic Pvt Ltd in respect of an open area admeasuring 2321.46.sq. meters for a period of 5 years...
- ii. Agreement dated 07.09.2018 with M/s R Supply Chain Management, in respect of an open area of 3619.51 sq meters and closed warehouse area measuring 2500.sq. meters for a period of 5 years.

- (c) As per the original sub lease agreement of 2007, KFTWZ was allotted 100 acres, which in the year 2010 was reduced to 75 acres. Concerning to which the formal amendatory lease deed agreement is yet to be concluded.
- (d) As on date, the annual lease rent and user charges payable by KFTWPL to KASEZ is Rs. 1.38 Crores per annum

6.5.2 It shall be deemed that by submitting a Bid, the Bidder has:

- (a) made a complete and careful examination of the Bidding Documents;
- (b) received all relevant information requested from KFTWPL;
- (c) satisfied itself about all matters, things and information including matters referred to in Clause 4.0 hereinabove necessary and required for submitting an informed Bid, execution of the Project in accordance with the Bidding Documents and performance of all of its obligations there under;
- (d) acknowledged and agreed that inadequacy, insufficiency, lack of completeness or incorrectness of information provided in the Bidding Documents or ignorance of any of the matters relating to the adequacy of the site for the Project, shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from KFTWPL, or a ground for withdrawal of its Bid by the Selected Bidder;
- (e) confirmed that it does not suffer ineligibility or disqualification pursuant to S.29A of the Insolvency and Bankruptcy Code 2016 for the purposes of this Bid;
- (f) acknowledged that it does not have a Conflict of Interest; and
- (g) agreed to be bound by the undertakings and all other documents provided by it under and in terms hereof

6.5.3 KFTWPL or its consultants, representatives, employees or advisors shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to RFP, the Bidding Documents or the Bidding Process, including any error or mistake therein or in any information or data given by KFTWPL.

6.5.4 Verification and Disqualification

KFTWPL reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFP or the Bidding Documents and the Bidder shall, when so required by KFTWPL, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by KFTWPL shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of KFTWPL there under.

6.6 Clarifications from KFTWPL

6.6.1 Any prospective Bidder requiring any clarification on the RFP document may notify KFTWPL in writing or by E-mail to,

Attn: Mr. Vijay Kumar Banga

Address:

IL&FS Township and Urban Assets Ltd.

905-906, 9th Floor, Kailash Building,

26, Kasturba Gandhi Marg

Connaught Place, New Delhi-110001

E-mail:ceo@kftwz.com, vk.banga@ilfsindia.com

6.6.2 The Bidders must send in their queries on or before the date mentioned in the Schedule of Bidding Process specified in Clause 2.3. KFTWPL will endeavor respond to all requests for clarification received prior to the last date for receipt of queries, within the period specified therein, but no later than 15 (fifteen) days prior to the Bid Due Date. Copies of KFTWPL's response shall be forwarded to all purchasers of the RFP document, including a description of the enquiry but without identifying its source.

6.6.3 KFTWPL reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this clause shall be taken or read as compelling or requiring KFTWPL to respond to any question or to provide any clarification.

6.6.4 KFTWPL may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by KFTWPL shall be deemed to be part of the Bidding Documents. Verbal clarifications and information given by KFTWPL or its employees or representatives or consultants or advisors shall not in any way or manner be binding on KFTWPL. No interpretation, revision, or other communication regarding this RFP is valid unless in writing and is signed by Director, KFTWPL.

6.7 Bid Due Date

Bids should be received by KFTWPL on or before 1500 hours IST on Bid Due Date, at the address provided in Clause 2.5 in the manner and form as detailed in this RFP.

Bids submitted by either facsimile transmission or telex or e-mail will not be accepted. Any Bid received after the closing date or time will be summarily rejected.

If the date for submission of completed RFP is declared a public holiday, the Bids may be delivered on the next working day.

- 6.8** Any condition or qualification or any other stipulation contained in the Bid shall render the Bid as a non-responsive Bid and thus liable to rejection.
- 6.9** **Conflict of Interest:** A Bidder shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, KFTWPL shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine pre-estimated loss and damage likely to be suffered and incurred by KFTWPL and not by way of penalty for, inter alia, the time, cost and effort of the KFTWPL, including consideration of such Bidder’s proposal (the “Damages”), without prejudice to any other right or remedy that may be available to KFTWPL under the Bidding Documents or otherwise. Without limiting the generality of the above, a Bidder shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:
- (i) the Bidder is an affiliate, subsidiary or associate of the KFTWPL or is a Person belonging to the existing promoter or the existing promoter group of the KFTWPL or is a Person acting jointly or in concert with any of the erstwhile directors (or their relatives) or key managerial personnel (or their relatives) of IL&FS, the IL&FS Group or KFTWPL and against whom any investigation is pending; or For the purposes of the above clause "Person" includes any individual firm (registered or otherwise) company, corporation, body corporate, government, state or agency of a state or any association, trust, joint venture, consortium, partnership (including limited liability partnership) or other entity (whether or not having separate legal personality).
 - (ii) the Bidder, its Member or Associate (or any constituent thereof) and any other Bidder, its Member or any Associate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding of a Bidder, its Member or an Associate thereof (or any shareholder thereof having a shareholding of more than 5% (five per cent) of the paid up and subscribed share capital of such Bidder, Member or Associate, as the case may be) in the other Bidder, its Member or Associate, is less than 5% (five per cent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in section 2 of the Companies Act, 2013. For the purposes of this Clause indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the “**Subject Person**”) shall be taken into account for computing the shareholding of

- such controlling person in the Subject Person; and (bb) subject always to sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% of the subscribed and paid up equity shareholding of such intermediary; or
- (iii) a constituent of such Bidder is also a constituent of another Bidder; or
 - (iv) such Bidder, its Member or any Associate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Bidder, its Member or Associate, or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Bidder, its Member or any Associate thereof; or
 - (v) such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
 - (vi) such Bidder, or any Associate thereof, has a relationship with another Bidder, or any Associate thereof, directly or through common third party/ parties, that puts either or both of them in a position to have access to each others' information about, or to influence the Bid of either or each other; or
 - (vii) such Bidder or any Associate thereof has participated as a consultant to KFTWPL in the preparation of any documents, design or technical specifications of the Project.

Explanation:

In case a Bidder is a Consortium, then the term Bidder as used in this Clause shall include each Member of such Consortium.

For purposes of this RFP, Associate means, in relation to the Bidder/ Consortium Member, a person who controls, is controlled by, or is under the common control with such Bidder/ Consortium Member (the “**Associate**”). As used in this definition, the expression “control” means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law.

7 RESPONSIBILITIES OF STRATEGIC PARTNER

7.1 The Strategic Partner will be responsible for ensuring the due implementation of the approval received by KFTWPL from the Department of Commerce, Ministry of Commerce & Industry, Government of India and KASEZ for Developing, Operating & Maintaining the Kandla FTWZ. In this regard the master plan has been prepared and got approved from KASEZ. Some portion of the master plan has been implemented also like construction of boundary wall, leveling of approx. 25 acres of land, one warehouse, development of office & conference room, construction of part of paved road, storm water drainage, street lights, landscaping etc. Strategic Partner will have to study/review the existing approved plans/documents and undertake the, detailed design and engineering, financing, marketing, development of comprehensive and integrated range of physical, social and civic infrastructure, provision of services, operation and maintenance of infrastructure and finally administration and management of the Kandla FTWZ.

7.2 The following elements define the Project mandate illustratively and indicatively but by no means exhaustively:

- (1) Study/Review of existing plans/documents
- (2) Detailed Project Design and Planning.
- (3) Raising finances for the Project as and when required.
- (4) Marketing to attract other investors and occupants to the Kandla FTWZ.
- (5) Land Development and leveling.
- (6) Provision of industrial plots of land, ready-built warehouses, and other types of space for occupants.
- (7) Development of necessary Infrastructure such as road network, street lighting, storm water drainage, gardening and landscaping etc.
- (8) Provision of necessary services such as electricity, water, telecommunication, sewerage treatment and disposal, solid waste removal and effluent treatment, piped gas, steam, transportation within the FTWZ and security.
- (9) Coordinating with trunk infrastructure providers (main water supply, link roads, railways etc.).
- (10) Operation and maintenance of various infrastructure and services within the FTWZ.
- (11) Administration and Management of the entire area falling within the FTWZ.

- (12) Discharge any obligations and comply with rules and regulations as laid down by all applicable legal and regulatory authorities in respect of establishment and operation of free trade warehousing unit within KASEZ at Kandla, Gujarat.
- (13) Obtaining all the additional clearances, authorizations, licenses, approvals or permission that may be required to implement the Project.
- (14) Any other activities that may be required for the successful development of the Kandla FTWZ and conduct of operations by the occupants.

The actual scope of the Project and contract issues may be refined by KFTWPL as a part of the selection process after the RFP. The Interested Parties are requested to also refer **Appendix-8** for Indicative Role Description of Strategic Partner.

8. BIDDING PROCESS

8.1 Scope of Bid: Brief Description

- (1) The KFTWPL has adopted a Single-stage two envelope Bidding Process for selection of the Bidder for award of the Project. The Bid submission is envisaged in two parts, i.e. **Technical Proposal (Envelope-1) & Financial Proposal (Envelope-2)**.

The Technical Proposal to be submitted by Bidders shall comprise the SOQ and the Development Plan and other relevant documents like Bid Security, Power of Attorney as per the Appendices attached.

- (2) The Financial Proposals are invited for the Project on the basis of the Share Purchase Consideration for acquisition of 100% of the equity shareholding of KFTWPL subject to the provision of clause 6.3.1
- (3) The Selected Bidder will be expected to ensure that KFTWPL undertakes the designing, development, financing, marketing, operation and maintenance of the FTWZ Project and discharge the responsibilities generally indicated in Clause 7 above and as per the indicative Role Matrix placed as **Appendix- 8**.
- (4) The Selected Bidder will be required to complete the entire transactions under the scope of this RFP as detailed in Clause 8.7
- (5) The Bids shall be valid for a period of not less than 180 days from the Bid Due Date ("**Bid Validity Period**").
- (6) The Bidding Documents include the draft Share Purchase Agreement which is enclosed herewith as **Appendix-13**. The aforesaid documents and any addenda issued subsequent to this RFP Document will be deemed to form part of the Bidding Documents.

8.2 Terminology

Throughout the RFP /or Bidding documents, unless indicated otherwise by the context, the terms bid, proposal, and tender and their derivatives (*bidder/proposer/tenderer, bidding/proposing/tendering*), and so on are synonymous; and *day* means calendar day, *week* means calendar week, *month* means calendar month, and so on; and *singular* also means *plural*.

8.3 Right to accept / reject Bids

8.3.1 Notwithstanding anything contained in this RFP, KFTWPL, FTWPL and Sponsor Representatives reserve the right to accept or reject any or all Bid(s) and / or to annul the Bidding Process and reject all Bids, without assigning any reasons thereof at any time, without any liability or any obligation to inform the affected Bidder(s) of the grounds for such acceptance, rejection or annulment.

8.3.2 In the event that KFTWPL rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder or may take such other steps as it may deem fit in its sole discretion as per applicable laws without being liable for the same in any manner.

8.4 Updated Information

- (i) Bidders shall provide evidence of their continued eligibility in a manner that is satisfactory to KFTWPL, as KFTWPL may reasonably request. Bidders are notified that, a Bidder may be disqualified if it is determined in the opinion of KFTWPL or FTWPL or the Sponsors Representatives, at any stage of process that it will be unable to fulfil the requirements of the Project or fails to satisfy or continue to satisfy, at any stage of the process, the Minimum Eligibility Criteria specified in Clause-9. Supplementary information or documentation regarding qualifications may be sought from Bidders at any time and must be so provided.
- (ii) Bidders may be required to update (at times to be notified by KFTWPL) the information submitted in their SOQ.
- (iii) Bidders must provide the updated information, as well as any other information requested by KFTWPL at any time reasonably requested by KFTWPL
- (iv) All information shall be updated to the date of its submission of the Bids, or as close to that date as is possible, given the nature of the information requested.

8.5 Pre-Bid Meetings

- a. Each Bidder's designated representative(s) is invited to attend the pre-bid meeting. The venue for the same would be published on the websites mentioned under Clause 2.2. Please refer Clause 2.3 for the scheduled date and time of pre bid meeting.

- b. To assist in the planning for the pre-bid meeting, Bidders should contact **Mr. Vijay Kumar Banga** at the address indicated in Clause 2.5 to indicate whether or not the Bidder will attend and, if so, how many will be in attendance.
- c. The Bidder's representative(s) will be required to furnish a Letter of Authorisation at the pre-bid meeting, as proof of representation.
- d. The purpose of such meetings will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- e. The Bidder is requested, as far as possible, to submit any questions in writing or by fax/mail to reach KFTWPL by the designated date as mentioned in Clause 2.3.
- f. The text of the questions raised and the responses given, together with any responses prepared after the meeting, will be transmitted without delay to all bidders.
- g. The failure to attend a pre-bid meeting will not be a cause for disqualification of a Bidder. However, any and all Addenda issued by KFTWPL will be legally binding on all Bidders, whether or not they attend the pre-bid meeting.

8.6 Bidding Process

As indicated above, Single stage two envelope system as elaborated below, shall be followed;

- (a) Envelope 1: Technical Bid inclusive of SOQ and DP, and
- (b) Envelope2: Financial Proposal (marking clearly envelope for 100% equity share capital of KFTWPL)

The following is a brief summary of each.

8.6.1 SOQ and DP

8.6.1.1 Each Bidder will be required to submit a SOQ and a DP to KFTWPL. SOQ must be in compliance with the requirements of this RFP and indicate the extent of the Bidders compliance with the Eligibility/Evaluation Criteria specified in Clause 9 and must contain the required details in the applicable formats provided in the Appendix of this RFP.

Those Bids whose SOQs and DP are not in compliance with the RFP will be rejected and the Bidder will be precluded from any further participation in the bidding process and Financial Proposal of the respective bidders shall be returned

KFTWPL will evaluate Financial Proposals (FP) received from only those Bidders who qualify the Technical Proposals.

8.6.2 Financial Proposals (FP)

8.6.2.1 The FP must be in the form required and described in extensive detail in **Appendix-9** and,

8.6.2.2 Subject to the provision of clause 6.3.1, Bidders shall quote Share Purchase Consideration(s) for 100% equity stake in KFTWPL. KFTWPL reserves the right to decide the exact quantum 100% of equity shares to be offered to the Bidder based on its strategic interest and its decision shall be binding on the Bidder.

8.6.3 Selection of Strategic Partner

8.6.3.1 Generally, Bidder quoting the highest Share Purchase Consideration shall be the Selected Bidder (for 100% equity share capital of KFTWPL, subject to clause 6.3.1 A decision of FTWPL to sell 74% of the shareholding in KFTWPL shall be binding on the Bidder).

8.6.3.2 In the event that the Highest Bidder withdraws or is not selected for any reason in the first instance (the “first round of bidding”), KFTWPL may invite all the remaining Bidders to revalidate or extend their respective Bid Security, as necessary, and match the Bid of the aforesaid Highest Bidder (the “second round of bidding”). If in the second round of bidding, only one Bidder matches the Highest Bidder, it shall be the Selected Bidder. If two or more Bidders match the said Highest Bidder in the second round of bidding, then the Bidder whose Bid was higher as compared to other Bidder(s) in the first round of bidding shall be the Selected Bidder. For example, if the third and fifth highest Bidders in the first round of bidding offer to match the said Highest Bidder in the second round of bidding, the said third highest Bidder shall be the Selected Bidder.

8.6.3.3 In the event that no Bidder offers to match the Highest Bidder in the second round of bidding as specified in Clause 8.6.3.2, the Authority may, in its discretion, invite fresh Bids (the “**third round of bidding**”) from all Bidders except the Highest Bidder of the first round of bidding, or annul the Bidding Process, as the case may be. In case the Bidders are invited in the third round of bidding to revalidate or extend their Bid Security, as necessary, and offer fresh Bids, they shall be eligible for submission of fresh Bids provided, however, that in such third round of bidding only such Bids shall be eligible for consideration which are higher than the Bid of the second highest Bidder in the first round of bidding.

In this RFP, the term “Selected Bidder” shall mean the Bidder who is offering the Highest Share Purchase Consideration and whose Bid is accepted by KFTWPL and Letter of Award is issued in acceptance of the bid submitted.

8.6.3.4. KFTWPL may, in its sole discretion, negotiate with the Highest Bidder for upward revision of the Share Purchase Consideration, as the case may be, that is offered by the Highest Bidder provided that any such negotiation shall not affect the validity of the original Bid submitted by the Highest Bidder. KFTWPL may, in its sole discretion, either (a) issue LOA to the Highest Bidder based on the original Share Purchase Consideration, or (b) based on the negotiations, if any, require that the Highest Bidder submit its revised Share Purchase Consideration, as the case may be, within such number of days as may be prescribed by KFTWPL in this regard and in the event such revised Share Purchase Consideration, as the case may be, is found acceptable to KFTWPL, issue a LOA to such Highest Bidder.

8.7 Mechanism for payment of Liabilities and Share Purchase Consideration.

8.7.1 The Selected Bidder to whom LOA is issued shall complete the entire transaction as per the schedule below.

- i. pay to KFTWPL such amount as may be required to enable KFTWPL to repay all its Liabilities (together with accrued interest), as per the LoA to be issued by KFTWPL and in accordance with the schedule given in (iii) herein. The total outstanding liabilities of KFTWPL as on the date of issuance of this RFP stand at **Rs.21.2 Crores (“Liabilities”)**.
- ii. pay the Share Purchase Consideration as per the Financial Proposal as per the schedule given in sub-clause (iv) herein below,
- iii. Simultaneously with accepting the LOA, the Successful Bidder shall, in the event such Successful Bidder proposes to raise external funds by way of debt financing for the this transaction, be required to submit a firm letter of commitment (or an executed and enforceable sanction letter(s)) from any Scheduled Commercial Bank or financial institution for the total amount of such debt financing along with the Performance Guarantee. In the event that the Successful Bidder fails to submit a firm letter of commitment (or an executed and enforceable sanction letter(s)) as specified in this Clause, KFTWPL may, unless it consents to extension of time for submission thereof, invoke / forfeit, as the case may be, the Bid Security Money of such Successful Bidder on account of failure of the Successful Bidder to submit the firm letter of commitment (or an executed and enforceable sanction letter(s)) and disqualify such Successful Bidder.
- iv. The schedule for making the payments as per the Financial Proposal shall be as below,
 - a. 25% of the Share Purchase Consideration(including the Liabilities amount) to be paid **AND** a Performance Bank Guarantee for 10% of Share Purchase

Consideration(including the Liabilities amount) to be submitted, within ten days of the issuance of the LOA

- b. Signing of Share Purchase Agreement/ Share Holders Agreement: Within thirty(30) days from the date of LOA
- c. 75% of Share Purchase Consideration and the remaining 75% Liabilities of KFTWPL to be paid within thirty (30) days from the date of issuance of the LoA and in any case not later than the execution of the Share Purchase Agreement.

The obligations prescribed in a, b and c. above shall hereinafter be collectively referred to as the “**Closure**”.The Selected Bidder shall achieve the Closure, as per the scope of this RFP within thirty (30)days from the date of issuance of LOA.

- 8.7.2** KFTWPL reserves the right to amend the above payment schedule at its discretion at any stage during the Bid Process.
- 8.7.3** Bidders shall be liable to pay the total Share Purchase Consideration in accordance with the above mentioned schedule.
- 8.7.4** No negotiations of whatsoever nature, in respect of the above stated payment schedule shall be entertained by KFTWPL.
- 8.7.5** In the event of failure of the Selected bidder to achieve Closure as per the accepted Financial Proposal (FP) within the prescribed time period, KFTWPL shall be entitled to encash the Bid Security/Performance Security of the respective bidder as mutually agreed genuine pre estimated Damages.

8.8 Cost of Bidding and Agreement

The Bidder shall bear all costs associated with the preparation and submission of its Bids, including site visits, data gathering, analyses, design, and the like, as well as any and all discussions or negotiations of whatever sort, including contractual matters. Neither FTWPL nor KFTWPL nor MMTC Ltd nor IL&FS Ltd will be responsible or liable for those costs, regardless of the conduct or outcome of the Bidding Process.

8.9 Amendment of RFP Documents

- (i) At any time prior to the deadline for submission of proposals, KFTWPL may amend the RFP documents, including any contractual document, by issuing an Addendum.
- (ii) Any Addendum thus issued shall be part of the RFP documents and shall be made available on the websites mentioned under Clause 2.2 where RFP document is available for download.

(iii) In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, KFTWPL may, in its sole discretion, extend the Bid Due Date.

8.10 Language of Bids

The Bids, and all correspondence and documents related to the Bids exchanged by the Bidder and KFTWPL, shall be written in the English language. Supporting documents and printed literature furnished by the Bidder may be in another language provided they are accompanied by an accurate English translation of the relevant passages, in which case, for purposes of interpretation of the Bid, the English translation shall prevail. Any material that is submitted in a language other than English, and which is not translated into English, will not be considered.

If the Bidder is submitting any documents, created or originating from outside the Republic of India, such as work experience certificate(s), financial detail(s), power of attorney(s), undertaking(s), documentary evidence(s), qualifying document(s), etc. (collectively “**Foreign Documents**”) then the Bidder, before any such Foreign Document(s) are sent to India for the purpose of applying towards this Project, shall be required to get each and every page of such Foreign Document(s), duly authenticated/ embossed/ legalized/ notarised from the Indian Embassy/Indian High Commission situated in the country from where such Foreign Document(s) were created or are originating from. Such authentication/ embossment/ legalization/ notarisation from the Indian Embassy/Indian High Commission shall also apply to all such document(s) that are in a language other than English, which shall compulsorily be required to be translated (as the true translated copies of the original) by a duly certified/ authorized /qualified translator, supported by the affidavit of the said translator, certifying the correctness of the English translation. In case of any inconsistency between the original Foreign Document and its english translation, the latter shall prevail and be held binding on such Bidder.

However, in the case of Foreign Document(s) created or originating from countries that have signed, ratified and have made operational the Hague Convention abolishing the requirement of legalization for foreign public documents, 5 October, 1961 - "Hague Legalization Convention, 1961", the Bidders may affix an 'Apostle' sticker on each and every page of their Foreign Document(s) [including all commercial document(s) duly notarized]. Thereafter, the Bidder shall be compulsorily required to get all such "Appostilled" Foreign Document(s) approved, certified and attested from the Indian Embassy /Indian High Commission in that country where the 'Foreign Document(s)' were created or are originated from or the Ministry of External Affairs, Government of India, New Delhi and the Bidder/s shall follow any other norms/guidelines laid by the Ministry of External Affairs, Government of India, New Delhi.

8.11 Documents Comprising the Bids

8.11.1 Envelope 1: SOQ and DP

- (1) SOQ and DP containing the information as described in this RFP, must be submitted by the Bid Due Date and time notified under Clause 2.3. Bids received late shall not be considered.
- (2) Documents to be submitted with the Technical Bid (SOQ and DP) are as follows:
- a) Bid Security, as specified in Clause 2.4;
 - b) Power of Attorney in favour of the Authorized signatory for all bidders, including consortium members;
 - c) Power of Attorney in favour of the Lead Member, in case applicable;
 - d) Joint Bidding Agreement amongst consortium members;
 - e) Covering letter,
 - f) Affidavit for S.29A of the Insolvency and Bankruptcy Code, 2016 in a format as set out in Appendix 12 hereto,
 - g) The Bidders shall also enclose with their Bids, the following documents
- i. Copies of the audited financial statements for the immediately preceding three financial years duly certified by the statutory auditor and signed by the authorized signatory holding Power of Attorney for the purpose of this RFP.
 - ii. Certificate(s) from its statutory auditors or the concerned client(s) stating the payments made/ received or works commissioned, as the case may be, during the past 5 years in respect of the projects specified. In case a particular job/ contract has been jointly executed by the Bidder (as part of a consortium), it should further support its claim for the share in work done for that particular job/ contract by producing a certificate from its statutory auditor or the client; and
 - iii. Certificate(s) from its statutory auditors specifying the net worth of the Bidder, as at the close of the preceding financial year, and also specifying that the methodology adopted for calculating such net worth conforms to the provisions therein. For the purposes of this RFP, the definition of **Net Worth** is given under Clause-9.
 - iv. DP undertaking to comply with the responsibilities of Strategic Partner as specified in Clause-7 of this RFP.

8.11.2 Modified SOQ and DP

8.12.2.1 KFTWPL may, as a result of its evaluation of the SOQ and DP, require that modifications be made. In the event that any such modifications are required, KFTWPL shall determine the necessary requirements for the modified Bids and the date on which they must be submitted. .

8.12.2.2 Documents to be submitted with the modified Bids, if any, will be determined by KFTWPL at a later date.

8.11.3 Envelope 2: Financial Proposal

- (1) FP must be submitted in accordance with format described in **Appendix- 9** 100% equity share capital of KFTWPL.
- (2) The FP must be submitted along with the Technical Bid (SOQ and the DP) but in separate sealed Envelopes. The date, time and venue of FPs opening will be notified by KFTWPL to all the technically qualified bidders 7 days in advance to opening FPs

8.12 Bid Validity and Extension

- (1) The Bids shall remain valid for a period of 180 days from the Bid Due Date.
- (2) In exceptional circumstances, KFTWPL may request that the Bidders extend the period of validity for a specified additional period. The request and the Bidders responses shall be made in writing. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder agreeing to the request will not be required or permitted to modify its FP, but will be required to extend the validity of the original Bid Security, at its own cost and expense, for the period of extension.

8.13 Bid Security

- a. The Bidder shall furnish, along with its Technical Bid (SOQ and DP), a Bid Security equivalent to the amount of Rs.2,00,00,000/- (Rupees Two Crore only) in favour of Free Trade Warehousing Private Limited (acting through KFTWPL) (**“Bid Security”**).
- b. The Bid Security shall be in the form of a demand guarantee provided by a Scheduled Commercial Bank or a foreign bank having branch in India, in favour of FTWPL payable at New Delhi. The Bid Security shall remain valid for a period of 240 days from the Bid Due Date or for such extended period as agreed upon by the Bidder. No interest shall be payable on the Bid Security. The Bidder shall bear the cost relating to providing its Bid Security. In case the Bank Guarantee is issued by a foreign bank outside India, confirmation of the same by any nationalised bank in India is required.
- c. Any Bid not accompanied by the Bid Security shall be rejected by KFTWPL as being a non-responsive Bid.
- d. The Bid Securities of the Bidders, whose Technical Proposals are rejected on the basis of technical evaluation of the SOQ and DP, will be returned within a period of thirty (30) days from the date of intimation of the rejection of the proposals by KFTWPL to the concerned bidders.

- e. The Bid Securities of the Bidders, whose FP are rejected on the basis of evaluation of the FP (of the bidders who have qualified in the technical evaluation), will be returned within a period of thirty (30) days from the date of opening of the FPs by KFTWPL.
- f. The Bid Security of the Selected Bidder shall be retained till it has provided an unconditional and irrevocable Performance Bank Guarantee equal to 10% value of the Purchase Consideration (including the Liabilities amount) in accordance with the Letter of award issued to it by KFTWPL (“**Performance Security**”) and the Performance Security shall remain valid until all transactions as envisaged under this RFP in respect of transfer of shares are completed. The Performance Security provided by the Selected Bidder will be returned only after completion of all transactions under the scope of this RFP and as per the accepted Financial Proposal by the Selected Bidder to the satisfaction of KFTWPL. Bid Security and /or Performance Security shall carry no interest.
- g. The Bid Security will be forfeited if:
 - (i) If a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Clause 10 of this RFP;
 - (ii) If a Bidder withdraws its Bid after the Bid Due Date and during the period of Bid Validity Period as specified in this RFP and as extended by mutual consent of the respective Bidder(s) and the Authority;
 - (iii) in the case of Selected Bidder, if it fails within the specified time limit;
 - to sign and return the duplicate copy of LOA within seven (07) days of issuance of the LOA.
 - to make the payments as per the accepted financial proposal and schedule specified under Clause 8.7 of this RFP;
 - to provide the Performance Security within the specified time period.
 - (iv) if a Bidder makes a misrepresentation as to any facts or figures regarding its Bid or during the Bidding Process in order to get selected;
 - (v) if a Bidder fails to provide any clarification or explanation as may be sought by KFTWPL from such Bidder within the time specified for the same;
 - (vi) if the Bidder submits a conditional bid or a unresponsive Bid
 - (vii) any other conditions, with respect to a Bidder as well as the Selected Bidder, for which forfeiture of Bid Security has been provided under this RFP.

8.14 Currencies of Proposal and Payment:

- (1) All FP shall be in Indian Rupees (INR) only.

(2) All payments by the Selected Bidder to shall be in Indian Rupees (INR) only.

8.15 Submission of Proposals

(1) **The information and requirements in the following are applicable to:**

- (a) Technical Bid (SOQ and DP), and
- (b) Financial Proposal (FP).

Any required modifications to the SOQs and DP must be filed with the KFTWPL in a manner to be described by the KFTWPL during the evaluation of the SOQs and DP.

(2) **Sealing and Marking of Bids :**

- (a) Bidders shall prepare and submit, on or before the Bid Due Date the following,
 - (i) One (1) original, one (1) copy of the Technical Bid (SOQ and DP). Bidder's authorised signatory shall sign and stamp all the pages of the documents, failing which the Bids shall be liable for rejection. Authorised signatory shall also initial wherever corrections have been done in the document.
 - (ii) One (1) **ORIGINAL** and one **COPY** of the FP, both signed by the Authorised Signatory with Organization stamp.
- (b) The submissions for (i) and (ii) must include any and all documents required to be submitted with each proposal.
- (c) The authorised representative holding the PoA shall sign on all pages of the technical bid. Digital Signatures / Signature stamp may be provided at the sole risk of the bidder.
- (d) The Bidder shall seal the original and each copy of the Bid in separate envelopes, duly marking the envelopes as "**ORIGINAL**" and "**COPY**". The envelopes shall then be sealed in an outer envelope.
The envelopes shall clearly bear the following identification:

APPLICATION: Selection of Strategic Partner for Development of Kandla Free Trade Warehousing Zone

The envelope shall be addressed to:

Attn. of: Director, KFTWPL

Address:

MMTC Ltd.

Core-1, Scope Complex,

7 Institutional Area,

Lodhi Road,

New Delhi- 110003

Ph:

- (e) All the envelopes, whether outer or inner shall indicate the name and address of the Bidder to enable the Bid to be returned unopened in case it is declared “late”.
- (f) If the outer envelope is not sealed and marked as above, KFTWPL will assume no responsibility for the misplacement or premature opening of the bid.

(3) Deadline for Submission of Proposals:

- (a) SOQ, DP and FP must be received by KFTWPL at the address specified in Clause 2
- (b) Modified Proposals, if required by KFTWPL, must be submitted by a date and time to be later notified by the KFTWPL.

(4) Late Proposals:

Any proposal received by KFTWPL after the deadline for submission of bids prescribed in Clause 2.3 will be returned unopened to the bidder and will not be considered. ***There will be no exceptions to this requirement. It is the Bidder’s responsibility to ensure that the Bids are received by KFTWPL by the designated date and time.***

8.16 Modification or Withdrawal of Proposals: Effect on Bid Security

- (1) The Bidder may modify or withdraw its Bids after submission, provided that written notice of the modification or withdrawal is received by KFTWPL **prior to the Bid Due Date.**
- (2) The Bidder’s modification or withdrawal notice shall be prepared, sealed, marked, and delivered with the outer and inner envelopes additionally marked “**MODIFICATION**” or “**WITHDRAWAL**”, as appropriate.
- (3) No Bid may be modified by the Bidder after the Bid Due Date unless asked in writing by KFTWPL.
- (4) In the event of withdrawal of a Bid by the Bidder, after the Bid Due Date, KFTWPL reserves the right to forfeit the Bid Security, at its sole discretion.

8.17 Bid Opening and Evaluation

8.17.1 Bid Opening

(1) Technical Bid (SOQ and DP)

KFTWPL will open the SOQ and DP in the presence of Bidders' designated representatives who choose to attend, at the time date, and location as per Clause 2.3. The Bidders' representatives who are present shall sign a register evidencing their attendance.

- a) Proposals for which a notice of withdrawal has been submitted shall not be opened.
- b) *KFTWPL* shall prepare minutes of the proposal opening.

(2) Modified SOQ and DP

After its review of the initial SOQ and DP, KFTWPL may require modifications. Any such modifications will be submitted to KFTWPL in a manner and on a date to be later specified.

(3) FPs

FPs will be checked for submission. The FPs shall be opened by KFTWPL at a date, time and venue intimated to the Bidders at a later date as specified in Clause 2.3. The opening shall be undertaken in the same manner as the SOQ and DP.

8.17.2 Process to be Confidential

Information relating to the examination, clarification, evaluation and comparison of Bids, and recommendations for the award of a contract shall not be disclosed to Bidders or any other persons not officially concerned with such process until the award to the successful Bidder has been announced. KFTWPL will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. KFTWPL may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or KFTWPL or as may be required by law or in connection with any legal process. **Any effort by a Bidder to influence KFTWPL's processing of bids or award decisions will result in the rejection of the Bidder's bid.**

8.17.3 Clarification of Proposals

- (1) To assist in the examination, evaluation, and comparison of proposals, KFTWPL may, at its discretion, ask any bidder for clarifications, in writing.

- (2) In addition, KFTWPL may utilise any consultant or other advisor to assist in the examination, evaluation, and comparison of proposals.

8.17.4 Examination of Proposals and Determination of Compliance

(1) **General:**

Compliance with the Bid process requirements will be determined as follows:

(a) Technical Bid (SOQ and DP)

Prior to its evaluation of any SOQ and DP, KFTWPL will determine if the Bidder's submission is in *complete compliance* with the requirements. If the submission is in complete compliance, KFTWPL will review and evaluate the SOQ and DP. If the submission is not in complete compliance, the submission will be liable to be rejected and the Bidder will be eliminated from the competition.

However, in the event, if any Bid is found to be suffering from any minor insufficiency, KFTWPL may in its sole and absolute discretion still allow the said Bid as eligible for review and evaluation if it is convinced that the Bid is otherwise substantially in compliance in all material terms.

If modifications to the initial DP are required, they must be submitted by the date and time determined and notified by KFTWPL. Modified DP must be in *complete compliance* with the requirements or they will be rejected and the Bidder will be precluded from further involvement in the competition and in such an event the Bid Security of the respective bidder may be forfeited by KFTWPL at its discretion.

(b) Financial Proposal

Financial Proposal submitted by only those Bidders who qualify the technical evaluation as per the criteria specified in this RFP shall be opened for further evaluation. FPs submitted by bidders who do not qualify in the technical evaluation shall be returned unopened.

(c) Highest Bid

The Highest bid, will be the Bid with the highest purchase consideration for the acquisition of 100% equity. **The Highest Bidder if acceptable to KFTWPL, FTWPL and Sponsor Representatives in their sole and absolute discretion shall be the Selected Bidder.** It may be

clarified that KFTWPL shall take a considered decision on the exact quantum of equity to be offered based on its assessment, in the best strategic interests of KFTWPL in its sole and absolute discretion which shall be final and binding on all the Bidders.

It is clarified by way of abundant caution that submission of the Highest Bid shall not automatically tantamount to selection as the Strategic Partner in the project, unless and until the said highest bid is acceptable to KFTWPL, FTWPL and the Sponsor Representatives.

(2) Criteria for Complete Compliance i.e. for responsiveness:

Prior to the detailed evaluation of the Technical Bid (SOQ and DP), KFTWPL will test for responsiveness and completeness of each Bid based on the following parameters:

- a. It is received as per the formats and documents prescribed for it in this RFP;
- b. Has been properly signed and contains any required written representations or commitments;
- c. Is accompanied by the required Bid Security;
- d. Has provided the required information in reasonable detail and is accompanied with the documents as detailed in the checklist given in Clause 8.18;
- e. Provides clarification and/or substantiation that KFTWPL may require to determine responsiveness; and
- f. it does not contain any condition or qualification

A SOQ and DP that is in complete compliance is one that conforms to the preceding requirements without material deviation or reservation. A material deviation or reservation is one (1) which affects in any substantial way the scope, quality, or performance of the Project; or (2) which limits in any substantial way, inconsistent with the RFP documents, the Bidder's obligation as per the indicative Role description of the Strategic Partner as per Clause 7 of the RFP document, or (3) whose rectification would affect unfairly the competitive position of other Bidders presenting substantially responsive Bids

(3) Modified SOQ and DP: Complete Compliance:

A Modified Bid or Bidder, as the case may be, is in complete compliance with the RFP requirements if any modifications to the initial Bid that may have been required by KFTWPL, have been provided in a thorough and timely manner, as determined by KFTWPL.

(4) FP: Complete Compliance:

The Bidder shall in accordance with and in compliance with the terms of this RFP are required to submit their FP for 100% of the equity share capital of KFTWPL in the format prescribed in Appendix-9 hereto. KFTWPL in consultation with FTWPL, MMTC and IL&FS would, after the evaluation of all the Technical and FPs received in response to this RFP, decide the Selected Bidder.

The Bidders may specifically note that the decision of KFTWPL in this regard shall be final and binding on all the Bidders and shall not be subject to any questioning or explanation in any manner whatsoever.

8.17.5 Notification of Selection

Prior to expiration of the period of bid validity, KFTWPL will notify the Selected Bidder by fax/Email and confirmed by registered letter that its Bid has been accepted. Date of such intimation sent by KFTWPL shall be considered as date of LoA for the purpose of compliance with Clause 8.17.6.

8.17.6 Signing of Share Purchase Agreement (SPA)/ Share Holders Agreement

- (a) On receipt of the LOA, the Selected Bidder shall complete following three actions:
 - i. Sign and return a duplicate copy of the LOA within **Seven (7)** days of its issuance as an acknowledgment of its receipt.
 - ii. Pay **25%** of the Share Purchase Consideration (including the Liabilities amount) as per the FP submitted by the Bidder within **Ten (10)** days of the issuance of the LOA;
 - iii. Submit an unconditional and irrevocable Performance Bank Guarantee from a Scheduled commercial bank for a value equal to 10% of the Share Purchase Consideration (including the Liabilities amount) , within **Ten (10)** days of the issuance of the LOA.

Performance Bank Guarantee shall be as per the format given in **APPENDIX- 11**.

- (b) The Selected Bidder shall be required to execute the Share Purchase Agreement within thirty (30) days of issuance of LOI. The Selected Bidder shall not be entitled to seek any deviation, modification or amendment in the Share Purchase Agreement.
- (c) **75%** of Share Purchase Consideration and remaining 75% Liabilities of KFTWPL to be paid within **30 days** from the date of issuance of LOI and in any case not later than the execution of the Share Purchase Agreement.
- (d) In the event the Selected Bidder fails to perform the actions in the manner as specified under 8.17.6.(a) (i, ii and iii) above, the conduct of the Selected Bidder shall be considered as breach of bid terms and KFTWPL shall have the absolute right to forfeit the Bid Security of the respective Bidder.

- (e) In case after acceptance of LOA, the Selected bidder fails to perform any of its obligations in relation to achievement of Closure within the time schedule as specified in the RFP document, then, unless expressly agreed to in writing by FTWPL, FTWPL in its sole and absolute discretion, shall be entitled to encash the Performance Bank Guarantee and also forfeit the payment of 25% of the purchase consideration (including the Liabilities) made by the Selected Bidder, at the time of acceptance of LOA towards Damages for pre estimated losses to FTWPL on account of non performance by the Selected bidder.
- (f) KFTWPL, FTWPL and Sponsor Representatives shall not be responsible nor shall incur any liability, towards the highest bidder or any person claiming through them for any expenses or losses incurred directly or indirectly by it on account of such revocation of LOA and forfeiture of Bid Security/Performance Security, as referred to in clauses above.
- (g) After execution of the SPA and SHA with the Successful Bidder, an application shall be made by IL&FS to the National Company Law Tribunal seeking its approval for consummation of the proposed transaction in accordance with the transaction documents as referred to in this RFP and as may be stipulated by KFTWPL in terms of this RFP.

8.18 Checklist

Bidders are required to organise their Bids in the following Parts. The Parts should be clearly identifiable. Bidders shall ensure that the authorized signatory sign on each pages of the bid document along with Organization stamp. Overwriting in technical proposal (TP) if any, shall be countersigned at each place by the authorized signatory along with the organization stamp. In case of Financial Proposal (FP) **NO OVERWRITING OR CORRECTIONS ARE ALLOWED.**

| | |
|---------------------------|--|
| Technical Proposal | <ul style="list-style-type: none"> (a) Covering Letter as per the format specified in Appendix-6 of RFP (b) Original Power of Attorney authorizing the authorised signatory to act on behalf of the Bidder in the format as per Appendix 2 of the RFP. (c) MOU signed between the Consortium members as per the Appendix- 3 of the RFP. (d) Power of Attorney in favor of the Lead Member as per the format specified in Appendix-4 of RFP, from each of the Consortium Members in case of a Bidding Consortium (e) Letters of Commitment as per the format specified in Appendix-7 of RFP from each of the entities (which may be Subsidiary of the Bidding Company or of the Lead Consortium Member), the strengths of which are desired to be considered for the purpose of evaluation |
| | SOQ: Certified copies of the financial statements and completion certificates in |

| | |
|---------------------------|---|
| | <p>regard to project development experience to prove Financial and Technical capacity specified as Minimum Eligibility criteria under Clause 9 of RFP.</p> <p>DP to meet the responsibilities of the strategic partner as specified under Clause 7 of this RFP.</p> |
| Financial Proposal | Financial Proposal as per Appendix- 9 of RFP |

8.19.1 All Bidders should note the following:

1. SOQ and DP that are incomplete in any respect or those that are not consistent with the requirements as specified in this RFP document or those that do not contain the documents as per the specified formats may be considered non-responsive and may be liable for rejection.
2. Strict adherence to formats, wherever specified, is required. Non-adherence to formats may be a ground for rejection of the Bid.

9. MINIMUM ELIGIBILITY CRITERIA

9.1 Evaluation parameters

9.1.1 The Bidder/Consortium shall be required to submit their SOQs based on the Minimum Eligibility Criteria of Financial Capacity (FC) and Technical Capacity (TC) as detailed in (a) and (b) below. The Bidder shall provide the necessary information in the formats as per **Appendix-5**. Financial Proposals of only those Bidders shall be considered for evaluation, who qualify the Minimum Eligibility Criteria specified herein. The Bidder shall also be required to submit affidavit for S.29A of the Insolvency and Bankruptcy Code, 2016 in the format as set out in Appendix-12.

9.1.2 In case of Projects executed outside India for which the financial data is provided in currencies other than INR the following methodology shall be adopted.

9.1.3 For conversion of US Dollars to Rupees, the notional rate of conversion shall be Rupees [70 (Seventy)] to a US Dollar. In case of any other currency, the same shall first be converted to US Dollars as on the Bid Due Date, and the amount so derived in US Dollars shall be converted into Rupees at the aforesaid rate. The conversion rate of such currencies shall be the daily representative exchange rates published by the International Monetary Fund for the relevant date.

(a) Financial capability (FC)

The Bidder(s) / the designated member of the Consortium, whose financial strength will be taken for evaluation, must satisfy both of the following:

(i) Net worth: Minimum of **INR 250 million** or USD equivalent as at the end of the most recent financial year for which audited results are available, provided such most recent financial year shall not be earlier than 2018, and

(ii) Net cash accruals: **INR 100 million** or USD equivalent over each of the last three immediately preceding consecutive years.

- Net worth shall mean the aggregate value of the paid up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditures and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- Net Cash Accruals shall mean Profit After Tax + Depreciation. The Bid must be accompanied by the audited balance sheet and profit and loss account of the applicant (of each member in the case of consortium) for the last 3 immediately preceding financial years not prior to 2016.

(b) Technical capability (TC)

Categories of Infrastructure projects to be considered for Technical Experience:

The Bidder/ any member of the Consortium, should have undertaken either as a developer or operator, at least one project in any of the following infrastructure sectors with total capital expenditure (“**Capex**”) not below **Rs. 250,000,000/-** (Rupees Twenty Five Crores only), for single project within the immediate preceding three (3) financial years. Only completed projects shall be considered.

- (i) Special Economic Zones (SEZ),
- (ii) Logistics Parks,
- (iii) Free Trade Zones (FTZ),
- (iv) Container Freight Station (CFS),
- (v) Inland Container Depot (ICD),
- (vi) Warehouse Complex
- (vii) Any other project in the logistics sector

OR

The Bidder shall have total infrastructure development experience within the immediate preceding three (3) financial years with aggregate Capex not below **Rs. 500,000,000/-** (Rupees Fifty Crores only). Infrastructure experience under the following sectors shall be considered for this purpose. Atleast one project with a capex of INR 25 Crore must have been completed during the said three years.

(1) Highways: National Highway/Expressway development

(2) Development of Townships in an area not less than 20 acres

(3) Development of Seaport/Airport civil infrastructure

(4) Development of Railway Infrastructure (Civil/Mechanical)

If the Bidder was in the role of an “operator” in a project that it is submitting for showing its compliance with the technical eligibility, then such project would be considered for determining the Bidder’s technical ability only if the following conditions are shown to have been satisfied:

(i) If the project was of either a SEZ or a Logistics Park, or Free Trade Zones (FTZ), or Container Freight Station (CFS), or Inland Container Depot (ICD), or a Warehouse Complex or a logistics service providing facility, the total project area should have been atleast 10,000 (Ten Thousand) sq. meters.

(ii) If the Bidder was in the role of an “operator” in a project that it is submitting for showing its compliance with the technical capability, then such project would be considered for determining the Bidder’s technical ability only if the arrangement was not terminated for reason of an event of default committed by the party.

10. FRAUD AND CORRUPT PRACTICES

10.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOI. Notwithstanding anything to the contrary contained herein, or in the LOI, KFTWPL may reject a Bid, withdraw the LOI, as the case may be, without being liable in any manner whatsoever to the Bidder, if it determines that the Bidder, has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, KFTWPL shall be entitled to forfeit and appropriate the Bid Security or

Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to KFTWPL under the Bidding Documents, or otherwise.

10.2 For the purposes of this Clause 10, the following terms shall have the meaning hereinafter respectively assigned to them:

(a)“corrupt practice” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly, with the Bidding Process or the LOI, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of KFTWPL, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOI or after the execution of the Share Holders Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOI or the Share Holders Agreement, who at any time has been or is a legal, financial or technical adviser of KFTWPL in relation to any matter concerning the Project;

(b)“fraudulent practice” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;

(c)“coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;

(d)“undesirable practice” means (i) establishing contact with any person connected with or employed or engaged by KFTWPL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and

(e)“restrictive practice” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

11. MISCELLANEOUS

11.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts at New Delhi shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.

11.2 KFTWPL, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;

(a) suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;

(b) consult with any Bidder in order to receive clarification or further information;

(c) retain any information and/ or evidence submitted to KFTWPL by, on behalf of, and/ or in relation to any Bidder; and/ or

(d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.

(e) supplement/ modify/ amend/ alter the terms of the Share Holders Agreement/ Share Purchase Agreement pursuant to this RFP, or the technical/ financial or any other parameter for selection or evaluation of the Bidders or any terms and conditions of this RFP.

In order to afford the Bidders a reasonable time for taking an Addendum / supplement / modification etc. into account or for any other reason, KFTWPL may, at its own discretion, extend the Bid Due Date and time

11.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases KFTWPL, Sponsor Representatives its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the Bidding Process and waives, to the fullest extent permitted by applicable laws, any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.

**Selection of Strategic Partner
for
Development of Free Trade Warehousing Zone
at
Kandla, Gujarat**

**REQUEST FOR PROPOSAL
(Appendix Formats)**



**Issued by
Kandla Free Trade Warehousing Pvt Ltd
January 2019**

APPENDIX- 1:
STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED MARCH 31, 2018

| KANDLA FREE TRADE WAREHOUSING PRIVATE LIMITED | | | |
|---|-------|--------------------------------------|--------------------------------------|
| STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED MARCH 31, 2018 | | | |
| Particulars | Notes | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
| | | ` | ` |
| <u>Income</u> | | | |
| Revenue from Operations | 15 | 24,73,169 | 38,44,424 |
| Other Income | 16 | 2,14,746 | 4,88,887 |
| | | | |
| Total Revenue | | 26,87,915 | 43,33,311 |
| <u>EXPENSES</u> | | | |
| Employee benefits expense | | | |
| Finance costs | | | |
| Depreciation, amortisation, obsolescence and Impairment expense | | 90,21,107 | 85,52,446 |
| Other Expense | 17 | 2,37,99,164 | 2,58,75,549 |
| | | | |
| Total Expenses | | 3,28,20,271 | 3,44,27,995 |
| | | | |
| Profit/(Loss) Before Tax | | (3,01,32,356) | (3,00,94,684) |
| Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax Liability | | (27,55,519) | 18,84,378 |
| | | | |
| Profit/(Loss) for the Year After Tax | | (2,73,76,837) | (3,19,79,062) |
| | | | |
| Earnings per Equity Share: | | | |
| (1) Basic | | (2,737.68) | (3,197.91) |
| (2) Diluted | | (2,737.68) | (3,197.91) |

| KANDLA FREE TRADE WAREHOUSING PRIVATE LIMITED | | | | |
|--|-----------------------------------|--------------|-----------------------------|----------------------------|
| BALANCE SHEET AS AT MARCH 31, 2018 | | | | |
| | | Notes | As on March 31, 2018 | As on March 31,2017 |
| I | EQUITY & LIABILITIES | | | |
| | Shareholders' Funds | | | |
| | (a) Share Capital | 2 | 1,00,000 | 1,00,000 |
| | (b) Reserves and Surplus | 3 | (5,87,00,780) | (3,13,23,943) |
| | Advance Against Equity | | - | 11,07,61,275 |
| | Non-Current Liabilities | | | |
| | (a) Deferred Tax Liability | 4 | (8,66,473) | 18,89,046 |
| | (b) Other Long Term Liabilities | 5 | 16,30,06,192 | 4,68,50,000 |
| | Current Liabilities | | | |
| | (a) Trade Payable | 6 | 2,55,42,733 | 1,18,08,114 |
| | (b) Other Current Liabilities | 7 | 4,26,48,827 | 4,13,46,192 |
| | (c) Short Term Provision | 8 | - | - |
| | TOTAL | | 17,17,30,499 | 18,14,30,684 |
| II. | ASSETS | | | |
| | Non-Current Assets | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | 9 | 12,92,95,170 | 13,73,83,933 |
| | (iii) Capital Work In Progress | 10 | 3,70,07,427 | 2,42,81,685 |
| | (b) Long Term Loans and Advances | 11 | 29,06,117 | 27,36,150 |
| | (c) Deferred Tax Asset | 12 | - | - |
| | Current Assets | | | |
| | (a) Trade Receivable | 12 | 10,79,004 | 3,60,415 |
| | (a) Cash and Bank Balance | 13 | 14,22,780 | 1,66,33,501 |
| | (b) Short Term Loans and Advances | 14 | 20,000 | 35,000 |
| | TOTAL | | 17,17,30,499 | 18,14,30,684 |

APPENDIX- 2: FORMAT FOR POWER OF ATTORNEY

Dated:_____

Power of Attorney

To Whomsoever It May Concern

Know all men by these presents, We..... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr/ Ms (name), son/daughter/wife of and presently residing at, who is presently employed with us, and holding the position of, as our true and lawful attorney (hereinafter referred to as the “**Attorney**”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bids for the selection of Strategic Partner interested in acquiring up to 100% of the shareholding of KFTWPL through an open and competitive Bidding Process including but not limited to signing and submission of all applications, bids and other documents and writings, participate in Pre-Bid and other conferences and providing information/ responses to the Authority i.e. Kandla Free Trade Warehousing Pvt. Ltd., representing us in all matters before the Authority, signing and execution of all contracts including the Share Purchase Agreement and undertakings consequent to acceptance of our bid, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our bid for the said Project and/ or upon award thereof to us and/or till the entering into of the Share Purchase Agreement with the Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE,, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF 2019

(Attested signature of Mr. _____)

For _____ (Name of the Bidder)

For _____ (Name of the Bidder)

APPENDIX- 3: PRINCIPLES OF THE JOINT BIDDING AGREEMENT

to be executed between the members of a Consortium

In case of a Bidding Consortium, the principles based on which the Memorandum of Understanding (MOU) shall be executed between / among the Consortium Members, are stated below:

1. The MOU should clearly specify the roles and responsibilities of each of the Consortium Members, along with their proposed equity contribution. It is expected that the individual members have role definitions not conflicting with those of the other Consortium Members.
2. The MOU should clearly designate one of the Consortium Members as the Lead Member. The Lead Member (LM) shall be that Member vested with the prime responsibility of developing the Project. The Lead Member, (including its Promoters and/or Associates in case they are also members of the Consortium and provided all these entities are eligible entities), shall necessarily make the maximum equity contribution in the Consortium, and this equity contribution shall not be less than 26%.
3. The Lead Member shall be responsible for :
 - c. Tying up the finances for the project.
 - d. Ensuring the equity contribution by each of the Consortium Members, and in the event of a default, make good such contribution.
 - e. Undertaking primary responsibility for liaising with the lending institutions and mobilising debt resources for the project.
 - f. Ensuring the individual and collective commitment of each of the Consortium Members in honouring the Bidder's obligations towards the Client. The Lead Member would be overall responsible for the due implementation of the Project. The MOU should be duly signed by each of the Consortium Members.
4. The MOU should be specific to the Project and should be executed on an appropriate stamp paper.
5. The MOU should be valid for a minimum of eighteen months from the last date for submission of the Bid. The validity period of the MOU should be extendible on the original terms, if required by KFTWPL.

An illustrative agreement format which can be customized to meet the above requirements is attached herewith for the convenience and reference of the bidders.

Suggested format only subject to being customized to clearly meet and fulfill all the requirements of Appendix 3 above.

Format for Joint Bidding Agreement for Joint Venture

(To be executed on Stamp paper of appropriate value)

THIS JOINT BIDDING AGREEMENT is entered into on this the day of 2019

AMONGST

1. {..... Limited, and having its registered office at } (hereinafter referred to as the “**First Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

2. {..... Limited, having its registered office at } and (hereinafter referred to as the “**Second Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

3. {..... Limited, and having its registered office at} (hereinafter referred to as the “**Third Part**” which expression shall, unless repugnant to the context include its successors and permitted assigns)

The above mentioned parties of the FIRST, {SECOND and THIRD} PART are collectively referred to as the “**Parties**” and each is individually referred to as a “**Party**”

WHEREAS,

- (A) Kandla Free Trade Warehousing Private Limited, a company incorporated under the Companies Act, 1956 (a company within the meaning of the Companies Act, 2013) having its registered office at 10, Community Centre, 2nd Floor, East of Kailash, New Delhi – 110065 (hereinafter referred to as “**KFTWPL**” which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) has invited bids (the “**Bids**”) by its Request for Proposal dated January 2019 (the “**RFP**”) for selection of a strategic Partner in KFTWPL for sale of 100% equity holding in KFTWPL by Free Trade Warehousing Private Limited [FTWPL] (the “**Project**”) through a Share Purchase Agreement, as the case maybe.
- (B) The Parties are interested in jointly bidding for the Project as members of a Joint Venture and in accordance with the terms and conditions of the RFP document and other bid documents in respect of the Project, and
- (C) It is a necessary condition under the RFP document that the members of the Joint Venture shall enter into a Joint Bidding Agreement and furnish a copy thereof with

the Application.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretations

In this Agreement, the capitalised terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

2. Joint Venture

2.1 The Parties do hereby irrevocably constitute a Joint Venture (the “**Joint Venture**”) for the purposes of jointly participating in the Bidding Process for the Project.

2.2 The Parties hereby undertake to participate in the Bidding Process only through this Joint Venture and not individually and/ or through any other Joint Venture constituted for this Project, either directly or indirectly.

3. Covenants

The Parties hereby undertake that in the event the Joint Venture is declared the selected Bidder and awarded the Project, it shall enter into a Share Purchase Agreement with FTWPL for performing all its obligations in terms of Share Purchase Agreement for the Project.

4. Role of the Parties

The Parties hereby undertake to perform the roles and responsibilities as described below:

(a) Party of the First Part shall be the **Lead Member** of the Joint Venture and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Joint Venture during the Bidding Process and until the Closing Date under the Share Purchase Agreement.

[The Lead Member shall, inter-alia, be responsible for:

- *The Lead Member (LM) shall be vested with the prime responsibility of developing the Project;*
- *Tying up the finances for the project.*
- *Ensuring the equity contribution by each of the Consortium Members, and in the event of a default, make good such contribution.*
- *Undertaking primary responsibility for liasoning with the lending institutions and mobilising debt resources for the project.*
- *Ensuring the individual and collective commitment of each of the Consortium Members in honouring the Bidder’s obligations towards the Client. The Lead Member would be overall responsible for the due implementation of the Project. The MOU should be duly signed by each of the Consortium Members.]*

- (b) Party of the Second Part shall be the Member of the Joint Venture; and
- (c) Party of the Third Part shall be the Member of the Joint Venture.

5. Joint and Several Liability

The Parties do hereby undertake to be jointly and severally responsible for all obligations and liabilities relating to the Project and in accordance with the terms of the RFP and Share Purchase Agreement, till such time as the completion of the Project is achieved under and in accordance with the Share Purchase Agreement.

6. Share of work in the Project

The Parties agree that the responsibilities with respect to the Project shall be allocated among the members shall be as follows:

First Party:

Second Party:

Third Party:

Further, the Lead Member shall hold at least 26% of equity share among the members/partners of Joint Venture, if the Project is awarded to the Joint Venture.

7. Representation of the Parties

Each Party represents to the other Parties as of the date of this Agreement that:

- (a) Such Party is duly organised, validly existing and in good standing under the laws of its incorporation and has all requisite power and authority to enter into this Agreement;
- (b) The execution, delivery and performance by such Party of this Agreement has been authorized by all necessary and appropriate corporate or governmental action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Joint Venture Member is annexed to this Agreement, and will not, to the best of its knowledge:
 - (i) require any consent or approval not already obtained;
 - (ii) violate any Applicable Law presently in effect and having applicability to it;
 - (iii) violate the memorandum and articles of association, by-laws or other applicable organisational documents thereof;
 - (iv) violate any clearance, permit, concession, grant, license or other governmental authorisation, approval, judgment, order or decree or any

- mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or
- (v) create or impose any liens, mortgages, pledges, claims, security interests, charges or Encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
 - (c) this Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and
 - (d) there is no litigation pending or, to the best of such Party's knowledge, threatened to which it or any of its affiliates is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfillment of its obligations under this Agreement.

8. Termination

This Agreement shall be effective from the date hereof and shall continue in full force and effect until the Closing Date is achieved in respect of the Project in case the Project is awarded to the Joint Venture. However, in case the Joint Venture does not get selected for award of the Project, the Agreement will stand terminated.

9. Miscellaneous

- 9.1 This Joint Bidding Agreement shall be governed by laws of India.
- 9.2 The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED SIGNED, SEALED AND DELIVERED

For and on behalf of

LEAD MEMBER by:

SECOND PART

THIRD PART

(Signature)

(Name)

(Designation)

(Address)

(Signature)

(Name)

(Designation)

(Address)

(Signature)

(Name)

(Designation)

(Address)

In the presence of:

1.....

2.....

Notes:

1. The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
2. Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Joint Venture Member.
3. For a Joint Bidding Agreement executed and issued overseas, the document shall be legalised by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney has been executed.

APPENDIX- 4: FORMAT FOR POWER OF ATTORNEY FOR LEAD MEMBER OF CONSORTIUM

Whereas KFTWPL has invited applications from interested parties for the Selection of Strategic Partner For "Development Of Free Trade Warehousing Zone at Kandla, Gujarat (the “Project”).

Whereas,, and (collectively the “**Consortium**”) being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposal (RFP) and other connected documents in respect of the Project, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s bid for the Project and its execution.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS

We, M/s..... having our Registered Office at, M/s. having our Registered Office at and M/s. having our Registered Office at, ., (hereinafter collectively referred to as the “**Principals**”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s. having its Registered Office at, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “**Attorney**”). We hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and, in the event the Consortium is awarded the Project, during the execution of the Project and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the qualification of the Consortium and submission of its bid for the Project, including but not limited to signing and submission of all bids and other documents and writings, participate in bidders and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with KFTWPL, and/ or the Sponsor Representatives or any person, in all matters in connection with or relating to or arising out of the Consortium’s Bid for the Project.

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE
EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF
....., 2019

For (Signature)

.....

(Name & Title)

For (Signature)

.....

(Name & Title)

For (Signature)

.....

(Name & Title)

Witnesses:

1

2

.....

(Executants)

(To be executed by all the Members of the Consortium)

Notes:

• *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*

• *Also, wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.*

For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.

APPENDIX- 5: DETAILS OF BIDDER/CONSORTIUM

SOQ RESPONSE SHEET NO. 1

Name of the Bidder :

Is the Application being submitted by a Consortium: Yes/No (if Yes please fill in the table below)

| S No | Name of member | Role in consortium | Proposed equity stake in the consortium |
|-------------|-----------------------|---------------------------|--|
| | | | |
| | | | |

Details of Bidder / Consortium members:

- (i) Registered name
- (ii) Address
- (iii) Telephone
- (iv) Fax
- (v) Email
- (vi) Website

Details of businesses:

- (i) Main line of business
- (ii) Businesses in India
- (iii) Businesses outside India
- (iv) Date of company incorporation
- (v) Date of commencement of business

Management:

- (i) Chairman of Board
- (ii) Chief Executive Officer
- (iii) Chief Operating Officer
- (iv) Role in consortium

APPENDIX- 5 (b): FINANCIAL ELIGIBILITY**SOQ RESPONSE SHEET NO. 2****FINANCIAL ELIGIBILITY****Tangible Net Worth (TNW)**

| S No | Bidder/Consortium member holding more than 26% equity in consortium | Tangible Net Worth | | |
|-------------|--|---------------------------|----------------|----------------|
| | | 2015-16 | 2016-17 | 2017-18 |
| | | | | |
| | | | | |
| | | | | |

Net cash Accruals

| S No | Bidder/Consortium member holding more than 26% equity in consortium | Net Cash Accruals | | | |
|-------------|--|--------------------------|----------------|----------------|----------------|
| | | 2015-16 | 2016-17 | 2017-18 | Average |
| | | | | | |
| | | | | | |
| | | | | | |

SOQ RESPONSE SHEET NO- 3

TECHNICAL ELIGIBILITY

Categories of infrastructure fields

- Special economic Zones (SEZ)
- Logistics parks
- Free Trade Zones (FTZ)
- Container Freight Station (CFS)
- Inland Container Depot (ICD)
- Warehouse Complex
- Any other project in the logistics sector

Other infrastructure categories

- Roads
- Ports
- Power
- Telecom
- Airport
- Any other infrastructure project

Table to be filled by the bidder/each member of the consortium as Developer

| S No | Name & brief description of project | Year | Role play in the project | Stake in project | Project cost |
|------|-------------------------------------|------|--------------------------|------------------|--------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Table to be filled by the bidder/each member of the consortium as Operator

| S No | Name & brief description of project | Year | Role play in the project | Area of project | Project cost |
|------|-------------------------------------|------|--------------------------|-----------------|--------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

APPENDIX- 6: FORMAT OF THE COVERING LETTER

(To be submitted by the Bidder or the Lead Consortium Member along with the RFP)

Date: _____

The Director,
KandlaFree Trade Warehousing Private Limited
MMTC Ltd.
Core-1, Scope Complex,
7 Institutional Area,
Lodhi Road,
New Delhi- 110003

Dear Sir,

Sub: Global Invitation for Selection of Strategic Partner For "Development Of Free Trade Warehousing Zone at Kandla, Gujarat"

Please find enclosed one (1) original + one (1) copy of our proposal in respect of the **Global Invitation For Selection of Strategic Partner For "Development Of Free Trade Warehousing Zone at Kandla, Gujarat**, in response to the Request for Proposal ("RFP") Document issued by KFTWPL.

We hereby confirm the following:

- 1) The RFP is being submitted by _____ (*name of the Bidder/ Lead Consortium Member*) who is the Bidder / the Lead Consortium Member of the Bidding Consortium comprising _____ (*mention the names of entities who are the Consortium Members*), in accordance with the conditions stipulated in the RFP Document. (*In case of a Bidding Consortium*) Our RFP includes the Letters(s) of Acceptance in the format specified in the RFP Document, and the MOU (as per the principles stated in the RFP Document) between, _____ (*mention names of the entities that are the Consortium Members*), who are the Consortium Members(s) as per the conditions stipulated in the RFP Document and the Power of Attorney in favour of the Lead Consortium Member.
- 2) We have examined in detail and have understood the terms and conditions stipulated in the RFP Document issued by KFTWPL and in any subsequent communication sent by KFTWPL. We agree and undertake to abide by all these terms and conditions. Our RFP is consistent with all the requirements of submission as stated in the RFP Document or in any of the subsequent communications from KFTWPL.
- 3) Further we acknowledge that KFTWPL will be relying on the information provided in the Bid submission and the documents accompanying such Bid for selection of the

in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 10 of the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with any authority or any other public sector enterprise or any government, Central or State; and

- (d) We hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 10 of the RFP document, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
 - (e) We hereby confirm (d) that we do not suffer from any ineligibility or disqualification under Section 29A of the Insolvency and Bankruptcy Code, 2016, as amended.
 - (f) We hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 10 of the RFP document, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
- 14) We understand that you may cancel/annul the Bidding Process at any time and that you are neither bound to accept any application that you may receive for the Project, without incurring any liability to the Applicants, in accordance with Clause 8.3. of the RFP document.
 - 15) We believe that we/ our Joint Venture fulfills the Net Worth criteria and meet(s) all the requirements as specified in the RFP document and are qualified to submit a bid.
 - 16) We declare that we/ any Member of the Joint Venture are not a Member of a/ any other Joint Venture applying for pre-qualification.
 - 17) We certify that in regard to matters other than security and integrity of the country, we/ any Member of the Joint Venture have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
 - 18) We further certify that in regard to matters relating to security and integrity of the country, we/ any Member of the Joint Venture have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.

19) We further certify that no investigation by a regulatory authority is pending either against us/ any Member of the Joint Venture or against our CEO or any of our directors/ managers/ employees.

20) We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by KFTWPL in connection with the selection of the preferred bidder, or in connection with the selection/ Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.

21) We agree and undertake to abide by all the terms and conditions of the RFP document.

For and on behalf of :

Signature :

(Authorized Representative and Signatory) :

Name of Person :

Designation :

APPENDIX -7: FORMAT OF THE LETTER OF COMMITMENT

(To be submitted by the Promoter of the Bidder/Consortium whose strengths are desired to be considered for the purpose of determining financial / technical eligibility)

Date: _____

The Director,
KFTWPL

Dear Sir,

Sub: Global Invitation for Selection of Strategic Partner For "Development Of Free Trade Warehousing Zone at Kandla, Gujarat

This has reference to the RFP being submitted by _____ (*name of the Bidder or of the Lead Consortium Member in case of a Bidding Consortium*), in respect of the **Global Invitation For Selection of Strategic Partner For "Development Of Free Trade Warehousing Zone at Kandla, Gujarat**, in response to the Request for Proposal ("RFP") Document issued by KFTWPL.

We hereby confirm the following:

1) We _____ (*name of Promoter*), have examined in detail and have understood and satisfied ourselves regarding the contents mainly in respect of the following:

- The RFP Document issued by KFTWPL;
- All subsequent communications between KFTWPL and the Bidder, represented by _____ (*name of the Bidder/Lead Consortium member in case of a Consortium*).
- The MOU signed between / among _____ (*name(s) of Consortium Members*); and
- The RFP being submitted by _____ (*name of the Bidder/Lead Consortium Member*).

2) We have satisfied ourselves regarding our role as _____ (*here give a brief description of the role*) in the Project as specified in the RFP. If _____ (*name of the Bidder/Consortium*) is awarded the Project we shall perform our role as outlined in the RFP to the best of our abilities.

3) The nature of our legal relationship with the Bidder/Consortium Members of the Bidding Consortium, is specified in the RFP, as per the requirements stated in the RFP Document.

4) We undertake to support _____ (*name of the Bidder/Consortium Members, for which the Letter of Commitment is being furnished*) in respect of the roles _____ (*briefly define the roles of the Bidder / respective Consortium Members*) as detailed in the RFP being submitted by _____ (*name of the Bidder/Lead Consortium Member*).

5) We (*in case of Promoter, whose strengths are desired to be credited for Financial/ Technical eligibility*) also agree that after the submission of the RFP, we shall not change our role / stakes in a way that violates the minimum eligibility requirements. In any case (*in respect of the Promoter of a Bidder/Lead Consortium Member whose strengths are desired to be credited for financial / technical evaluation*) if any changed is proposed in a Promoter after submission of the RFP, we agree the same would have to be with the prior written approval of KFTWPL.

6) We therefore request KFTWPL to consider our strengths, our experience, and our track record as specified in the RFP pursuant to the conditions specified in the RFP, for the purposes of evaluation of the financial / technical eligibility criteria.

For and on behalf of :

Signature :

(Authorised Representative and Signatory) :

Name of Person :

Designation :

APPENDIX 8: INDICATIVE ROLE DESCRIPTION OF STRATEGIC PARTNER

Presented below is the indicative role description for the Strategic Partner (“SP”), to conceptualize, plan, design, finance, market, construct, operate, maintain and manage the Kandla Free Trade and Warehousing Zone (Kandla FTWZ).

The project would be executed as a Joint Venture on a commercial basis and the SP would be given the commercial freedom in the development and management of Kandla FTWZ.

| Activity / Risk | Role to be performed by the Strategic Partner |
|--|--|
| Land Acquisition | The area for the proposed Kandla FTWZ has already been acquired. |
| Regulatory Approvals | <p>In case the SP holds 74% shares in KFTWPL, and the residual is held by FTWPL, the following shall apply:(a)Most of the approvals required have already been obtained by KFTWPL before start of development of phase-1. Details of the approvals obtained may be seen in KFTWPL office on any working day with prior appointment. However any additional approval required shall be obtained by the SP.</p> <p>(b)IL&FS and MMTC would facilitate the SP in procurement of Regulatory Approvals and Clearances from relevant Regulatory Agencies and Statutory Bodies on a ‘Best Effort’ basis.</p> <p><i>Note: In case the SP holds 100% shares in KFTWPL, IL&FS and MMTC shall not be responsible for any of the approvals, after the Closure date and the SP would be solely and exclusively responsible for applying, obtaining and maintaining all approvals, permissions and permits as per applicable laws.</i></p> |
| Financing Plan and Capital structure and raising finances for the Project as and when required | The SP would be responsible for finalizing the Capital Structure and financing plan. The SP would be responsible for achieving Financial Closure and raising appropriate finances for the Project as and when required. |
| Project conceptualization Design and Planning | The SP would have complete freedom in Conceptualization, Design and Planning of the Project. IL&FS and MMTC shall play a supporting role as may be agreed to with the SP, on a ‘Best Effort’ basis. |
| Marketing to attract other investors and Occupants | The SP would be responsible for Marketing of the project to attract other strategic investors and Occupants. IL&FS and MMTC shall play a supporting role as may be agreed to with the SP, on a ‘Best Effort’ basis. |
| Land Development (including reclamation, if any and leveling) | The SP would be responsible for Land Development as per the business Plan and applicable Land Development norms. |
| Provision of | The SP would be responsible for provision of warehousing |

| Activity / Risk | Role to be performed by the Strategic Partner |
|---|--|
| land/open storage space and built-up warehousing space with all necessary infrastructure and services | <p>space, open storage space, administrative buildings and such other types of space as may be required by the Occupants.</p> <p>The SP would be responsible for the development of necessary Infrastructure such as Road network, Street lighting, Water pipeline, Storm water drainage, Gardening & beautification.etc</p> <p>The SP would be responsible for provision of necessary services such as power, telecommunication, sewerage disposal, solid waste removal and effluent treatment, transportation, security etc in the Project Area.</p> |
| Co-ordinating with trunk infrastructure providers | <p>The SP shall coordinate with respective Trunk Infrastructure Providers for various infrastructure and services.</p> <p>IL&FS and MMTC shall play a supporting role as may be agreed to with the SP, on a 'Best Effort' basis.</p> |
| Power | Power connection is already functional. The SP shall be responsible to ensure adequate power facilities are available for the purposes of due development of FTWZ |
| Bulk Water | The SP shall ensure that water is available to the FTWZ at appropriate cost |
| External Linkages (Approach Roads) | <p>FTWZ is already well connected through paved approach road.</p> <p>The SP shall be responsible for coordinating with the relevant nodal agency for development of other roads. if required.</p> |
| Telecommunication | The SP shall be responsible for ensuring that various telecom service providers establish adequate telecom services to enable due development of the FTWZ |
| Operation & Maintenance of Infrastructure | The SP would be responsible for the operation & maintenance of the Infrastructure of the FTWZ The SP shall have the freedom to fulfill such responsibility. |
| Overall Administration and Management of the Project Area | The SP shall have the responsibility and freedom for the overall administration and management of the various project components and activities of the FTWZ and shall liaison with various Authorities such as Development Commissioner, Customs Authorities etc. IL&FS and MMTC may play a supporting role as may be agreed with SP. |

APPENDIX- 9: FORMAT OF THE FINANCIAL PROPOSAL
(To be submitted by the Bidder / Consortium)

Date: _____

The Director, KFTWPL

MMTC Ltd.
Core-1, Scope Complex,
7 Institutional Area,
Lodhi Road,
New Delhi- 110003

Dear Sir,

Sub: Global Invitation for Selection of Strategic Partner For "Development Of Free Trade Warehousing Zone at Kandla, Gujarat

Being duly authorized to represent and act on behalf of _____ and having reviewed and fully understood all requirements of bid submission provided in the RFP document and subsequent clarifications provided during the pre-Bid Meeting(s) in relation to the project, we hereby provide our Price Proposal as under:

- (i) Agree to pay to KFTWPL such amount as may be required to enable KFTWPL to repay all its Liabilities (together with accrued interest) as on the date of share transfer as per the LoI to be issued by KFTWPL as per the schedule given in (iii) herein.
- (ii) Agree to pay a sum of Rs _____ as the Share Purchase Consideration (including the Liabilities) as per the schedule given in (iii) herein, for purchase of **100%** equity holding of KFTWPL.
- (iii) The schedule for making the payments as per this Financial Proposal shall be as below.
 - a. **25%** of Share Purchase Consideration(including the Liabilities) to be paid along within ten days of the issuance of the LOA and a Performance Bank Guarantee for 10% of Share Purchase Consideration (including the Liabilities) to be submitted , within ten days of the issuance of the LOI
 - b. Sign the Share Purchase Agreement as per the format provided by KFTWPL as the case may be, within 30 days from date of issuance of LOA.
 - c. **75%** of Share Purchase Consideration and remaining **75% Liabilities** of KFTWPL to be paid within -- 30days from the date of issuance of the LoA and in any case not later than the execution of the Share Purchase Agreement/ Share Holders Agreement.

For and on behalf of :

Signature :

(Authorised Representative and Signatory) :

Name of Person :**Designation**

APPENDIX -10: FORMAT OF BANK GURANTEE FOR BID SECURITY

Format for **BID SECURITY (BANK GUARANTEE)**

(On Requisite Stamp Paper)

This Deed of Guarantee ("**Guarantee**") is made on this _____ day of _____, 2019 at _____ by _____ (name of the bank) having its Head / Registered Office at _____, (hereinafter referred to as "the **Bank**" or "the **Guarantor**", which expression shall unless it be repugnant to the subject or context hereof be deemed to include its successors and assigns) in favour of Free Trade Warehousing Private Limited having its Registered Office at 10, Community Centre, 2nd Floor, East of Kailash, New Delhi – 110065 (hereinafter referred to as "**FTWPL**" which expression shall unless it be repugnant to the subject or context hereof be deemed to include its successors and assignees).

WHEREAS, KFTWPL (acting for FTWPL) has invited Bids from various interested parties for taking up a 100% equity of the Kandla FTWZ project for selection of the Strategic Partner for undertaking the development and implementation of the Free Trade Warehousing Zone project at Kandla, Gujarat;

WHEREAS, [name of Bidder] (hereinafter called "the **Bidder**") has submitted his Bid dated [date] for the Kandla FTWZ Project (hereinafter called the "Bid") in the format given to the Bidder vide KFTWPL' advertisement dated 2019.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

1. In the event of any breach or non-performance of any of the terms and conditions contained in the RFP by the said Bidder, the Guarantor absolutely, irrevocably and unconditionally guarantees and undertakes to pay to FTWPL a sum of Indian Rupees 2,00,00,000/- (Rupees Two Crore only), without any protest or demur and upon receipt of first written demand from FTWPL, without having to substantiate its demand. Any such written demand made by the FTWPL stating that the Bidder is in default of the due and faithful fulfillment and compliance with the terms and conditions contained in the RFP shall be final, conclusive and binding on the Bank.
2. The Guarantor do hereby unconditionally undertakes to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of FTWPL is disputed by the Bidder or not, merely on the first demand from the FTWPL stating that the amount claimed is due to the Authority by reason of failure of the Bidder to fulfill and comply with the terms and conditions contained in the RFP including without limitation, failure of the said Bidder to keep its Bid valid during the validity period of the Bidas set forth in the said RFP for any reason whatsoever. Any such demand

made on the Guarantor shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, the liability under this Guarantee shall be restricted to an amount not exceeding Rs. 2,00,00,000/- (Rupees Two Crore only).

3. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Guarantor or any absorption, merger or amalgamation of the Bidder or the Guarantor with any other person.

4. In order to give full effect to this Guarantee, FTWPL shall be entitled to treat the Guarantor as the principal debtor. FTWPL shall have the fullest liberty without affecting in any way the liability under this Guarantee, from time to time to vary any of the terms and conditions contained in the said RFP, or to extend time for submission of the Bid or the Bid Validity Period or the period for conveying of the LOA to the Bidder or the period for fulfillment and compliance with all or any of the terms and conditions contained in the said RFP by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said RFP or the securities available to the Authority, and the Guarantor shall not be released from its liability under these presents by any exercise by FTWPL of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the FTWPL or any indulgence by FTWPL to the said Bidder or by any change in the constitution of FTWPL or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Guarantor from its such liability.

5. It shall not be necessary for FTWPL to proceed against the said Bidder before proceeding against the Guarantor and the Guarantee herein contained shall be enforceable against the Guarantor, notwithstanding any other security which FTWPL may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Guarantor hereunder, be outstanding or unrealized.

6. We undertake to make the payment on receipt of your notice of claim on us addressed to us and delivered at any of our branches in Delhi which shall be deemed to have been duly authorised to receive the said notice of claim.

7. The Guarantor declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Guarantor.

8.This Guarantee will remain in force up to and including the date falling 240 days(inclusive of a claim period of 60 days) from the last date for submission of Bids i.e. till _____ 2019), or for such extended period as may be mutually agreed between FTWPL and the Bidder, and agreed to by the Guarantor, and shall continue to be enforceable till all amounts under this Guarantee have been paid. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

9. The jurisdiction in relation to this Guarantee shall be the Courts at New Delhi and Indian Law shall be applicable. The claim in respect of this bank Guarantee can also be lodged at any of our New Delhi Branches.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee on this _____ day of _____and year first herein above written.

Signed and delivered by the
above named _____Bank by
its Authorised Signatory as authorised by
Board Resolution passed on _____/
Power of Attorney dated [.....]

Authorised Signatory
Name :
Designation :

In the presence of:

1.

2.

APPENDIX- 11: FORMAT FOR PERFORMANCE BANK GUARANTEE

(To be provided on a stamp paper of appropriate value)

THIS DEED OF GUARANTEE ("**Guarantee**") executed on this the ---- day of ----- at ----
- by ----- (Name of the Bank) having its Head/Registered
office at ----- hereinafter referred to as
"the Guarantor Bank" which expression shall unless it be repugnant to the subject or
context thereof include successors and assigns;

In favour of Free Trade Warehousing Private Limited (acting through KFTWPL)
hereinafter called FTWPL (which expression shall include its successors and assigns);

WHEREAS

- A. KFTWPL(acting for FTWPL) had vide its Request for Proposal (**RFP**) dated _____, invited Bids for selection of a Strategic Partner for the development of Free Trade Warehousing Zone at Kandla, Gujarat named Kandla Free Trade Warehousing Private Limited. (KFTWPL) and has selected M/s as the Selected Bidder.
- B. In terms of the RFP, the Selected Bidder is required to furnish to FTWPL, an unconditional and irrevocable bank guarantee for an amount of Rs.----- (Rupees ----- only) as performance security for completing all necessary transactions as required to complete the scope of the RFP
- C. At the request of the Selected Bidder, the Guarantor has agreed to provide guarantee, and these presents guaranteeing the due and punctual performance/discharge by the Company of its obligations under the RFP during the specified period specified therein

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

- 1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the RFP/Agreement.
- 2. The Guarantor Bank hereby guarantees the due and punctual performance by the Selected Bidder of all its obligations required to complete the transactions as envisaged in the scope of RFP.
- 3. The Guarantor Bank shall, without demur, pay to FTWPL sums not exceeding in aggregate Rs----- (Rupees ----- only), on the receipt of a written demand from KFTWPL stating that the Selected Bidder has failed to meet its performance obligations under the RFP. The Guarantor Bank shall have no obligation to go into the veracity of any demand so made by FTWPL and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Company or any other Person.

4. In order to give effect to this Guarantee, FTWPL shall be entitled to treat the Guarantor Bank as the principal debtor. The obligations of the Guarantor Bank shall not be affected by any variations in the terms and conditions of the RFP or other documents or by the extension of time for performance granted to the Company or postponement/non exercise/ delayed exercise of any of its rights by FTWPL or any indulgence shown by FTWPL to the Selected Bidder and the Guarantor Bank shall not be relieved from its obligations under this Guarantee on account of any such variation, extension, postponement, non exercise, delayed exercise of any of its rights by FTWPL or any indulgence shown by KFTWPL provided nothing contained herein shall enlarge the Guarantor's obligation hereunder.
5. This Guarantee shall be irrevocable and shall remain in full force and effect until discharge by the Guarantor Bank of all its obligations hereunder.
6. This Guarantee shall not be affected by any change in the constitution or winding up of the Selected Bidder or the Guarantor Bank or any absorption, merger or amalgamation of the Selected Bidder /the Guarantor Bank with any other Person.
7. The Guarantor Bank further agrees that the Guarantee herein contained shall remain in full force and effect due and punctual performance by the Selected Bidder of all its obligations required to complete the transactions as envisaged in the scope of RFP..Unless a demand or claim under this Guarantee is made by FTWPL in writing on or before -----, the Guarantor Bank shall be discharged from all liability under this Guarantee thereafter.
8. It shall not be necessary for FTWPL to proceed against the said Selected Bidder before proceeding against the Guarantor Bank and the Guarantee herein contained shall be enforceable against the Guarantor Bank, notwithstanding any other security which FTWPL may have obtained from the said Selected Bidder or any other person and which shall, at the time when proceedings are taken against the Guarantor Bank hereunder, be outstanding or unrealized.
9. We undertake to make the payment on receipt of your notice of claim on us addressed to us and delivered at any of our branches in Delhi which shall be deemed to have been duly authorised to receive the said notice of claim.
10. The Guarantor Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of FTWPL in writing. Any and all claims, if any, under this Guarantee must be lodged with the Gurantor Bank on or before..... date; after which the Guarantor shall stand unconditionally discharged of all its obligations and liabilities under this Guarantee.
11. The Guarantor Bank has power to issue this guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorised to execute this Guarantee pursuant to the power granted under _____.

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO
ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN.

SIGNED AND DELIVERED by ----- Bank by the hand of Shri -----

its ----- and authorised official.

APPENDIX-12
AFFIDAVIT FOR SECTION 29A OF THE INSOLVENCY AND BANKRUPTCY
CODE, 2016

(Note: TO be on non-judicial stamp paper of INR 100 as per Maharashtra Stamp Act, 1958. Foreign companies submitting Bid(s) are required to follow the applicable law in their country and ensure that the documents submitted as part of the Bid are appropriately apostilled wherever required.)

I. [Insert name of the authorized representative of the Bidder], aged [Insert Age], residing at [Insert Address], acting on behalf of the [Insert name of the Bidder] (“**Bidder**”) do solemnly affirm and hereby, irrevocably and unconditionally declare to IL&FS as hereunder in relation to the Bid dated [--] in respect of the Companies (“**Bid**”) submitted by the Bidder pursuant to the Request for Proposal dated [;] (as amended from time to time) (“**Request For Proposal**”)

1. The Bidder, or each person acting jointly or in concert with the Bidder and [subject to paragraph 3 below] ¹ each Connected Person (defined below):

- (i) is not an undischarged insolvent:
- (ii) is not a willful defaulter in accordance with the guidelines of the Reserve Bank of India (“**RBI**”) issued under the Banking Regulation Act, 1949 (the “**BR Act**”)
- (iii) ² [as on Bid Due Date:
 - (a) does not have an account which has been classified as non-performing asset (“**NPA**”) in accordance with the guidelines of the RBI issued under the BR Act or the guidelines of a financial sector regulator issued under any other law for the time being in force, such that a period of 1 (one) year or more has lapsed from the date of such classification till [;]

¹. **Note to draft:** This option should be selected only when there are Category III connected persons of the Bidder who are otherwise hit by the disqualifications specified 29 A (d) and section 29 A(e) of IBC.

². **Note to draft:** Retain as applicable

(b) is not a promoter or in management or control of a corporate debtor which account has been classified as NPA in accordance with the guidelines of the RBI issued under the BR Act or the guidelines of a financial sector regulator issued under any other law for the time being in force, such that a period of 1 (one) year or more has lapsed from the date of such classification till [:] :]

OR

[as on the Bid Due Date:

(a) have an account that has been classified as NPA since [:] [insert date]:
(b) is a promoter or in management or control of [:] [insert the name of the corporate debtor] which account has been classified as NPA since [:] insert date]]

(iv) ³ [has not been convicted for any offence punishable with imprisonment.
(i) for 2 (two) years or more under any law specified in the twelfth schedule of the Insolvency Code;
(ii) for seven years or more under any law for the time being force.]

OR

⁴ [had been convicted for any offence of [:] under section [:] of [:] [Insert details of the relevant provision and the law under which the Bidder was convicted] on [:] [Insert date of conviction], which is punishable with an imprisonment [for 2 (two) years or more under any law specified in the twelfth schedule of the Insolvency Code]/ [for seven years or more under any law for the time being in force]. However, period of two years has expired from the date of the release from imprisonment is enclosed herewith.]

(v) is not disqualified to act as a director under the Companies Act, 2013:
(vi) is not prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets.
(viii) ⁵ [has not been a promoter or in the management or control of a corporate debtor in which a preferential transaction or undervalued transaction, extortionate credit transaction or fraudulent transaction in respect of which an order has been made by the Adjudicating Authority or any other bench of the National Company Law Tribunal under the provisions of the Insolvency Code.]

OR

[has been a promoter or in the management or control of [:] [insert name of the corporate debtor] in which preferential transaction, undervalued transaction extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the [:] [insert name of the corporate debtor] by the Bidder “[pursuant to a Bid approved under Insolvency Code (a copy of which is enclosed herewith:]/ ⁷/ [pursuant to a scheme or plan approved by a financial sector regulator or a court], and the Bidder has not otherwise contributed to the preferential transaction, undervalued transaction, ,extortionate credit transaction or fraudulent transaction.

(viii) has not executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under Insolvency Code and such guarantee has been invoked by the creditor and remains unpaid in full or part.

(ix) is not subject to any disability, corresponding to clauses (i) to (viii) above, under any law in a jurisdiction outside India.

2. For the purposes of this Affidavit, the term “Connected Person” shall mean :

(i) any person who is promoter or in the management or in control of the Bidder (“**Category I- Connected Persons**”). A list of category-I connected persons is annexed herewith and marked as **Annexure-I**:

(ii) any person who shall be the promoter or in management or control of the business of the Companies during the submission of the Bid (“**Category II- Connected Persons**”) A list of category-II Connected Persons is annexed herewith and marked as **Annexure-II**:

(iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii) above (“**Category III-Connected Persons**”). A list of Category-III Connected persons is annexed herewith and marked as **Annexure-III**.

3. [In relation to category III-Connected Person:

3 Note to draft: Retain as applicable

4 Note to draft: This clause has to be included in a scenario wherein imprisonment was ordered, however a period of two years has expired from the date of release from imprisonment

5 Note to draft: Retain as applicable

6 Note to draft: Please enclose a copy of the order passed by the National Company Law Tribunal approving the same.

7 Note to draft: Please provide details of the relevant authority approving the scheme along with a copy of such approval

APPENDIX 13: FORMAT FOR SHARE PURCHASE AGREEMENT

[On a Non-judicial stamp paper of the value as appropriate in the State of execution]

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (hereinafter the ‘**Agreement**’) is executed on this the ____ day of _____, 2019 at _____

by and between

[_____. Ltd], a company incorporated under the Companies Act, 1956 and having its Registered Office at [●] (hereinafter referred to as the “**Buyer**”, which expression shall unless repugnant to its subject or context, mean and include its affiliates, successor and permitted assigns);

AND

Free Trade Warehousing Private Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at 10, Community Centre, IInd Floor East of Kailash, New Delhi-110065.(hereinafter referred to as “**FTWPL**” or the “**Seller**”, which expression shall unless repugnant to its subject or context, mean and include its successor and permitted assigns).

AND

Kandla Free trade Warehousing Private Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at 10, Community Centre, IInd Floor East of Kailash, New Delhi-110065.(hereinafter referred to as *the* “**Company**” or “**KFTWPL**” which expression shall unless repugnant to its subject or context, mean and include its successor and permitted assigns);

[Hereinafter each of the expressions, ‘**the Seller**’ and ‘**the Buyer**’ are, as the context may admit or require, individually referred to as ‘**the Party**’ and collectively as ‘**the Parties**’.]

WHEREAS:

- A. FTWPL is a private limited company promoted by MMTC and IL&FS with the primary objective of carrying on the business of establishing, acquiring,

- developing, managing and maintaining warehouses and warehousing zones in free trade areas and otherwise, integrated industrial parks, special economic zones, industrial areas, business parks, industrial estates and other infrastructure facilities in India and outside India.
- B. KFTWPL is a special purpose vehicle promoted by FTWPL with an objective to undertake development, implementation and operation of projects relating to establishing, acquiring, developing, managing and maintaining warehouses and warehousing zones in free trade areas or otherwise ("**Project**").
- C. FTWPL being the beneficial and legal owner of the entire paid up and subscribed equity share capital of the Company, issued a Request for Proposal document (hereinafter the '**RFP Document**') through KFTWPL and invited Bids/Proposals for selecting a suitable strategic Investor for development and implementation of the Project. After evaluation of the financial proposals ("**Financial Proposals**") received, FTWPL has accepted the Financial Proposal of the Buyer for taking over 100% equity shareholding ("**Equity Holding**") of the Company and has issued a Letter of Award dated _____, [] ("LOA").
- D. In compliance with the terms of the LOA and as a pre-requisite to the execution of this Share Purchase Agreement, the Buyer has fulfilled the following obligations
- I. Furnished an irrevocable, unconditional, first demand bank guarantee issued by _____, for an amount equal to Rs. _____/- (Rs. _____ only), representing 10% of the Consideration (including the Liabilities), having a validity upto _____, [] as a guarantee for the performance by the Buyer of its obligations under this Agreement (the '**Performance Security**');
 - II. Made a non-refundable and irrevocable payment of Rs. _____/- (Rupees _____ only) being 25% of the Consideration (including the Liabilities) to FTWPL, vide Bankers Cheque/Demand Draft no. _____ dated _____ drawn on _____ in favor of _____
- E. Subsequently, the Company vide its Board Meeting, held on _____, [], has approved the above mentioned sale by the Seller of its _____ fully paid up equity shares in the Company, in favor of the Buyer.
- F. In furtherance thereof the Parties hereto have agreed and confirmed to take on record the terms and conditions in respect to the transfer of the equity shareholding of the Company.

NOW THEREFORE in consideration of the premises and the mutual covenants hereinafter contained the sufficiency and adequacy of which is hereby confirmed and

acknowledged, the parties hereto hereby agree and this Share Purchase Agreement witnesseth as under:

1. DEFINITIONS & INTERPRETATIONS

1.1 Definitions

In this Agreement, unless the context requires otherwise:

“**Agreement**” means this Share Purchase Agreement and all attached Schedules and all instruments supplemental to or in amendment or confirmation of this Agreement entered into by the Parties in writing.

“**Approvals**” means all authorizations, consents, approvals and permissions required under the laws of the Republic of India for or in respect of this Agreement including for performance of any obligation or exercise of any right by a Party.

“**Board**” means the board of directors of the Company;

“**Closing**” means the payment of the Consideration to the Seller and the completion of the sale to and purchase by the Buyer of the Equity Holding, in accordance with the terms of this Agreement.

“**Closing Date**” shall mean the day on which Closing occurs and would be the latter of (a) date of execution of this Agreement; or (b) a date which is mutually agreed to between the Parties but being within Fifteen (15) days from the date of this Agreement;

“**Company**” shall refer to Kandla Free Trade Warehousing Private Limited (formerly known as Integrated Warehousing Kandla Project Development Private Limited), a company within the meaning of the Companies Act, 2013, having its Registered Office at 10, Community Centre, IInd Floor East of Kailash, New Delhi-110065.

“**Consideration**” means the consideration for the transfer of the Equity Holding being the sum specified in Clause 3.

“**Corporate Approvals**” means the internal corporate approval obtained by the Seller and the Buyer respectively for selling and buying respectively the Transaction Shares.

“**Encumbrance**” shall mean any mortgage, pledge, lien, charge, security assignment, hypothecation, trust, encumbrance or any other agreement having the effect of creating security interest.

“**Equity Holding**” shall refer to the entire paid up and subscribed share capital of the Company to be bought by the Buyer and sold by the Seller pursuant to Clause 2, free from all liens, charges and encumbrances and together with all rights now or hereafter attaching hereto.

“**Liabilities**” shall mean all amounts payable by KFTWPL to various agencies, including KASEZ.

1.2 Interpretation

Unless otherwise stated or unless the context otherwise requires, in this Agreement:

- (a) Headings, sub-headings used in this Agreement are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement.
- (b) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have corresponding meanings.
- (c) References to the recitals, Clauses and Exhibits shall be references to the recitals, clauses and exhibits of this Agreement.
- (d) References to statutes shall be a reference to the statutory enactments, rules and regulations (as modified, amended or re-enacted as of the appropriate date) in force.

2. SALE AND PURCHASE OF EQUITY HOLDING

- 2.1** Subject to the terms and conditions of this Agreement the Seller hereby agrees (as legal and beneficial owner) to sell, assign, transfer and convey to the Buyer all of its rights, obligations, title and interests in and to the Equity Holding, and the Buyer hereby agrees to purchase, acquire and accept all of the Seller's rights, obligations, title and interest in and to the Transaction Shares.

2.2 On the Closing Date:

- (a) The Seller shall sell and the Buyer shall purchase the Equity Holding, free and clear of all Encumbrances and from all other rights exercisable by or claims by third parties and together with all rights and benefits now and hereafter attaching thereto;
- (b) The Buyer shall pay to the Seller the Consideration for the purchase of the Equity Holding in the manner provided in Clause 3;
- (c) On confirmation of receipt of the Consideration to the satisfaction of the Seller, the Seller shall simultaneously transfer the Equity Holding in the name of the Buyer and provide and deliver the duly signed share Transfer Deed along with the Original Share Certificate to the Buyer
- (d) All Directors nominated by the Seller will forthwith resign from the Board of the Company and the Seller shall deliver to the Buyer the resignation letters of such resigning directors (including the working directors) of the Company.

2.3 Closing Mechanism

- (a) Promptly after the completion of the actions contemplated in Clause 2.2 there shall be held a board meeting of the Company on the Closing Date or

on the earliest mutually convenient date (the “**Closing Board Meeting**”), at which the following business shall be conducted:

- (i) Appropriate board resolutions shall be passed, for altering the articles of association of the Company to be in conformity with the provisions of this Agreement and issue a notice for convening a general meeting of the Company on a date not later than sixty (60) days from the Closing Date for the approval of the same;
 - (ii) Appropriate board resolutions shall be passed, including a board resolution taking on record the transfer in the beneficial ownership of the Equity Holding from the Seller to the Buyer;
 - (iii) The resignation letters of the Seller’s Directors as provided in Clause 2.2 (d) above shall be placed before the Board and accepted by the Board;
 - (iv) Appropriate board resolutions shall be passed for due appointment on the Board of the Company, of new directors, nominated by the Buyer and having complete and absolute management control of the Company.
- (b) After the execution of this Agreement, the Parties shall cause:
- (i) execution of the Share Transfer Deed(s) as prescribed under section 56 of the Companies Act, 2013; and
 - (ii) execution of a ‘Management Transfer Agreement’ and necessary Affidavit and Indemnity Bond, if any, in that regard.

3. CONSIDERATION FOR SALE OF TRANSACTION SHARES

- 3.1 The consideration for the purchase by the Buyer of the Equity Holding shall be an aggregate sum of **Rs _____ (Rupees only)** (the “**Consideration**”) inclusive of premium. The Liabilities shall also be paid by the Buyer along with the Consideration amount. The Consideration inclusive of Liabilities shall be payable to the Seller without any deductions on any account whatsoever and exclusive and independent of all taxes, duties, fees and charges payable in respect of the sale of the Equity Holding which shall be the sole responsibility of, and shall be paid by the Buyer.
- 3.2 On or before the Closing Date, the Buyer shall pay the 100% of the Consideration amount (including the Liabilities) to the Seller by way of a cheque payable at par, drawn in favor of FTWPL.

4. CONDITIONS PRECEDENT TO CLOSING

4.1 Conditions Precedent to be complied with by the Buyer

The Buyer shall fulfill the following Conditions Precedent prior to Closing, unless waived in writing by the Seller:

- (a) All Approvals that may be required for the purpose of implementation of this Agreement shall have been obtained by the Buyer.

- (b) All of the representations and warranties made by the Buyer in or pursuant to this Agreement shall be true and correct as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement) The Buyer shall have performed or complied with, in all respects, all the obligations, covenants and agreements under this Agreement that are to be performed or complied with by the Buyer, prior to Closing.

4.2 Conditions Precedent to be complied with by the Seller

The Seller shall fulfill the following Conditions Precedent on or before the Closing Date, unless waived in writing by the Seller:

- (a) All of the representations and warranties of Seller and the Company made in or pursuant to this Agreement shall be true and correct as at the Closing Date and with the same effect as if made as of the Closing Date (except as such representations and warranties may be effected by occurrence of events or transactions expressly contemplated or permitted by this Agreement)
- (b) The Seller has and shall continue to have marketable title and unfettered right to transfer the Transaction Shares on the Closing Date to the Buyer, free and clear of all liens, in accordance with the terms of this Agreement.
- (c) The Seller and/or the Company shall have performed or complied with, in all material respect the obligations, covenants and agreements in this Agreement that are to be performed or complied with by the Seller and/or the Company, prior to Closing.

5. REPRESENTATIONS & WARRANTIES

5.1 The Seller hereby, on the date hereof, represents and warrants to the Buyer as follows:

- (a) The Seller has full legal right, power and authority to enter into, execute and deliver this Agreement and to perform the obligations, undertakings and transactions set forth herein, and this Agreement has been duly and validly executed and delivered by the Seller and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms; and
- (b) The Seller has all requisite power to own and dispose of the Equity Holding under the laws applicable in India;
- (c) The Equity Holding are owned by the Seller free and clear of all Encumbrances affecting his ability to vote on such Equity Holding or to transfer such Equity Holding or instruments to the Buyer and such Equity Holding have been validly authorized and issued and are fully paid.
- (d) The transfer of the Equity Holding to the Buyer hereunder will convey to the Buyer good and marketable title to the Equity Holding, free and clear of any Encumbrances whatsoever.
- (e) The Sellers are left with no right, title, interest, claim or concern of any nature with the Equity Holding and the Buyers shall, on & from the Closing

Date, be fully entitled to the legal and ownership rights of the Equity Holding.

- 5.2 The Buyer hereby, on the date hereof, represents and warrants to the Seller as follows:
- (a) The Buyer has full legal right, power and authority to enter into, execute and deliver this Agreement and to perform the obligations, undertakings and transactions set forth herein, and this Agreement has been duly and validly executed and delivered by the Buyer and constitutes his legal, valid and binding obligation, enforceable against him in accordance with its terms; and
 - (b) Subject to this Agreement, the Buyer shall cause sufficient funds to be available to acquire and pay for all of the Equity Holding and otherwise to consummate the transactions contemplated by this Agreement on the terms and conditions contemplated hereby.
 - (c) This Agreement constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with the terms hereof, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies as specific performance and injunction are in the discretion of the court from which they are sought.
 - (d) There is no suit, action, litigation, investigation, claim, complaint or proceeding in progress or pending or threatened against or relating to the Buyer, which, if determined adversely to the Buyer, could
 - (i) Prevent the Buyer from paying to the Seller the Consideration;
 - (ii) Enjoin, restrict or prohibit the transfer of all or any part of the Equity Holding as contemplated by this Agreement; or
 - (iii) Prevent the Buyer from fulfilling any or all of its obligations set out in this Agreement or arising from this Agreement;and the Buyer does not have knowledge of any existing ground on which any such action, suit, litigation or proceeding might be commenced with any reasonable likelihood of success.

6. TERMINATION

- 6.1 This Agreement may be terminated on or prior to the Closing Date as follows:
- (a) By the Buyer in the event that the Seller fails to fulfill any of its Conditions Precedents or fails to fulfill any of its obligations at Closing; or
 - (b) By the Seller in the event that the Buyer fails to fulfill any of its Conditions Precedents or fails to fulfill any of its obligations at Closing by the Closing Date; or
 - (c) By the Buyer if an Event of Bankruptcy occurs in relation to the Buyer or any of their respective Affiliates and/or if there is any breach on or after the date hereof of any of the Seller's representation and warranties contained herein.
- 6.2 The termination of this Agreement pursuant to Clause 6.1(a) and (b) hereof shall be effected by the Party terminating this Agreement by delivering 3 (three) days'

prior written notice of such termination to the other Party. If this Agreement so terminates, it shall become null and void and have no further force or effect. In the event the Agreement is terminated pursuant to (b) and (c) above, the Performance Security provided by the Buyer shall stand forfeited. Further, FTWPL shall also have the right to forfeit 25% of the consideration paid by the Buyer as damages.

7. CONFIDENTIAL INFORMATION

- 7.1 For a period of 3 (three) years from the Closing Date, the Buyer on its own behalf and on behalf of its affiliates agrees that the information exchanged to date and which may be exchanged during the term of this Agreement and any technical information in any form provided to the Buyer by the Seller or the Company or their Representatives (the “**Confidential Information**”) is confidential and proprietary and shall not be reproduced, copied or disclosed to any third parties.
- 7.2 The Buyer hereto shall at all times cause its affiliates, partners, directors, officers, employees, agents, representatives, advisors, associates and any other person acting on their behalf to refrain from disclosing Confidential Information and shall ensure that such Confidential Information is only used for the purposes of the Company, irrespective of whether the Confidential Information was provided in writing or orally or whether the written embodiment of the Confidential Information has been marked as confidential.
- 7.3 Nothing contained hereinabove shall apply to any disclosure of Confidential Information if:
- (a) Such disclosure is required by law or requested by any statutory or regulatory or judicial/quasi-judicial authority or recognized self-regulating organization or other recognized investment exchange having jurisdiction over the Buyer; or
 - (b) Such disclosure is required in connection with any litigation affecting the Buyer; or
 - (c) Such information has entered the public domain other than by a breach of the Agreement.
- 7.4 The confidentiality obligations shall survive the expiry of this Agreement and is legally binding on the Buyer and shall be in full force and effect for the time period specified in Clause 7.1 above.

8. DISPUTE RESOLUTION

- 8.1 Any dispute, controversy or claim arising out of or in relation to this Agreement or the breach, termination or invalidity thereof, if the same cannot be settled amicably among the Parties concerned, shall be settled by final and binding arbitration in accordance with the Arbitration and Conciliation Act, 1996. The arbitration proceedings shall be conducted by a sole arbitrator to be appointed by the parties with mutual consultation. The arbitration proceedings shall take place at New Delhi in India and the proceedings shall be exclusively in the English language.
- 8.2 No Party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter shall have been submitted to

arbitration and determined as provided above, and then only for the enforcement of the arbitral award., except that any party may approach the court for conservancy and provisional measures for injunctive relief.

- 8.3 Pending the resolution of a dispute by arbitration, the Parties shall, except in the event of termination, continue to perform all their obligations under this Agreement without prejudice to a final adjustment in accordance with the arbitral award.
- 8.4 In the event that it is necessary for either of the parties to this agreement to commence arbitration to enforce any of the provisions hereof, the party prevailing in the arbitration or action shall be entitled to collect from the other party and to have added to and included in any award or judgment rendered in such arbitration or action such additional sum as the arbitrator or court shall deem reasonable for lawyers' fees.

9. MISCELLANEOUS

9.1 Notices

All notices, communications and other correspondence required or permitted by this Agreement shall be in writing and shall be sent by (a) facsimile, with confirmation copy sent by registered first class airmail, (b) by personal delivery with acknowledgement of receipt or (c) by registered, first class air mail, return receipt requested and postage prepaid, to the following address:

In the case of the Buyer to

_____,

Ph: 91 (____)

In the case of the Seller _____

Ph: 91 (____)

All such notices, communications and correspondence shall be sent and deemed to have been received as follows: (i) if by facsimile upon receipt of the confirmation copy: and (ii) if by personal delivery, courier or registered, first class airmail, upon receipt or refusal of delivery. A Party may change the address to which notices are

to be sent by a notice complying herewith to that effect. All notices will be in the English language.

9.2 Expenses

Each of the Parties shall pay their respective legal, accounting, and other professional advisory and other fees, costs and expenses incurred in connection with the purchase and sale of the Transaction Shares and the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement. In particular, it is agreed that the stamp duty payable on the transfer of the Transaction Shares (in the event the Transaction Shares are not transferred in the dematerialized form) and the stamp duty on this Agreement shall be paid by the Buyer and such expenses shall not constitute an obligation of the Company or the Seller.

9.3 Amendments and Waivers

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties to this Agreement. To the extent any such modification or amendment requires a corresponding modification or amendment to the Company's Memorandum and/or Articles of Association, the Parties shall use their best efforts in good faith to cause all such modifications or amendments to such Memorandum and/or Articles of Association. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived

9.4 Governing Law

This Agreement shall be governed and interpreted by and construed in accordance with the laws of India, and the courts at New Delhi shall have exclusive jurisdiction over matters arising out of or relating to this Agreement.

9.5 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect.

9.6 Counterparts

This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

9.7 Rights of Third Parties

Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties hereto any rights or remedies under or by reason of this Agreement or any transaction contemplated by this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Share Purchase Agreement to be executed by their hands as on the date first mentioned hereinabove.

For SELLER

For BUYER

Authorized Signatory

Authorized Signatory

WITNESS:

WITNESS:

SCHEDULE –A

Details of Share Transfer

| Sr. No. | Existing Shareholder (Sellers) | No. of Shares | New Shareholder (Buyers) |
|---------|--------------------------------|---------------|--------------------------|
| 1 | | | |
| 2 | | | |

WITNESSES:

Sign:

Name

Address:

SCHEDULE “B”

FULL AND FINAL R E C E I P T

We, M/s -----, in the capacity as Trustee on behalf of IL&FS IIDC Fund, the Sellers have received a sum of **Rs -----** (Rupees----- only) as per details given below from the Buyer, M/s----- --- towards full and final payment of sale consideration in respect of the ----- Nos of (No of shares in word) Equity Shares of the Company

DETAILS OF PAYMENT

Cheque No..... dated drawn on for Rs...../-(Rupees.....

**Selection of Strategic Partner
For
Development of Free Trade Warehousing Zone

At
Kandla, Gujarat**

**REQUEST FOR PROPOSAL
(PROJECT INFORMATION)**



**Issued by
Kandla Free Trade Warehousing Pvt Ltd**

JANUARY 2019

APPENDIX- 14: FTWZs: Sector Profile

14.1 Genesis

The Government of India (GoI) had announced in the Foreign Trade Policy to set up Free Trade and Warehousing Zones (FTWZ) to create trade related infrastructure to facilitate the import and export of goods and services with freedom to carry out trade transactions in free currency. On June 23, 2005, the Parliament of India passed the Special Economic Zones Act 2005 and on February 10, 2006 Government of India notified Special Economic Zones Rules 2006.

The Free Trade and Warehousing Zones (FTWZ) is a special category of Special Economic Zone and is governed by the provisions of the SEZ Act and the Rules. As per the Ministry of Commerce, the objective of the FTWZ policy is to create trade-related infrastructure to facilitate the import and export of goods and services with the freedom to carry out trade transactions in free currency. The scheme envisages creation of world-class infrastructure for warehousing of various products, state-of-the-art equipment, transportation and handling facilities, commercial office-space, water, power, communications and connectivity, with one-stop clearance of import and export formality, to support the integrated Zones as 'International Trading Hubs'.

Accordingly, while the units located within the zone would be provided with significant benefits (as detailed in the subsequent sections), the activities permitted within the zone would be limited to packing, de-stuffing/ stuffing, knitting, splitting, and other activities required for storage.

14.2 Concept:

FTWZ is a 'sanitized zone' designated as foreign territory for carrying on business. FTWZs are envisaged to be Integrated Zones to be used as 'international trading hubs'

Each zone would provide world-class infrastructure for

- ✓ Warehousing for various kinds of products
- ✓ Handling and transportation equipment
- ✓ Commercial office space
- ✓ All related utilities - telecom, power, water, etc
- ✓ One stop clearance for import and export of goods

FTWZ would be a key link in logistic and global supply chains - servicing both India and the globe.

- ✓ Deemed foreign territory : Offer specific duty exemptions as well as simple and faster procedures
- ✓ Modern cargo handling facilities : EXIM cargo consolidation and value addition

- ✓ Common administrative and logistic support with customized cargo services
- ✓ Boost international trade from India by allowing India to offer services similar to free trade zones in UAE, Colombo and Singapore
- ✓ Improve foreign exchange earnings

14.3 Positioning:

- Logistics and distribution centre
- Provides "Free Zone" environment
- Enables efficient operational environment for trade facilitation
- Integrates various aspects of logistics operations
- Provision of high quality infrastructure

14.4 Benefits

The key differentiator between an FTWZ and a standard warehouse is the unique product offering wherein the benefits of a free zone are integrated with professionally handled, high quality physical infrastructure, thereby providing an ideal platform for the successful proliferation of trading and warehousing companies in a globally competitive scenario. It is perceived that by development of such a zone, the quality of infrastructure will improve thereby reducing the logistics cost across the industry groups. Benefits that would come with FTWZ include common facilities such as cost effective skilled labour, transportation facilities, customized warehouse, sophisticated equipments etc.

Difference between standard warehouse and FTWZ

| Standard Warehouse | FTWZ |
|--|---|
| No regulatory benefits | All benefits of a free zone |
| Fragmented Concept | Integrated Concept |
| Limited Professionalism | Professional Management |
| Internal Infrastructure - developed on ad hoc basis | Infrastructure – provided based on needs of commodity groups |
| No shared infrastructure | Shared infrastructure availability (storage/ equipments, etc) |
| Customized office facilities may not be available in proximity | Customized office facilities available within the development |
| No duty deferment benefits | Duty deferment benefits |
| Normal equipment availability | World class equipment availability |
| Support infrastructure – not in control | Support infrastructure – Under zones control |

14.4.1 Physical/Infrastructure Benefits to Users

Benefits accruing through superior physical infrastructure can be broadly categorised into product offerings, and general support facilities. Some of the key product offerings that would be potentially available in a FTWZ are:

- Customised and categorised warehouses ~ chemicals, food, electronics, oil, etc.
- Sophisticated freezer / cooler facilities
- Break bulk, containerised, and dry cargo storage facilities
- Controlled humidity warehouses
- Enhanced transportation facilities
- World-class information system for cargo tracking etc.

In addition to the facilities highlighted above, the zone would also make available general support facilities, for the effective storage and movement of cargo. They are highlighted below:

- Counterbalance forklifts
- Cranes & Grabs
- Stackers
- Push carts, picking trolleys & bins
- Shelves and storage bins
- Strapping, electronic scales, etc

Provision of such facilities would enable the small and medium scale traders to access high quality infrastructure without having to invest substantial sums of money.

Further, since FTWZs will be developed in locations near CFSs, ports, railheads, airports etc, convenient and effective movement of goods through air, sea, rail or road would be facilitated thereby offering the users of the FTWZ, a superior infrastructure platform thus enabling increased efficiencies.

14.4.2 Regulatory and other benefits to users

In addition to the efficiencies that would be contributed through high quality infrastructure at the disposal of potential users, the FTWZ would also provide intangible benefits as highlighted below:

- **Fiscal and Regulatory Benefits**
 - ✓ **Tax benefits:** Income tax (section 80IA) and service tax exemptions for developers and users of the zone reduce logistics costs for users of the zone.
 - ✓ **Duty deferment benefits:** Custom duty deferment benefits for products requiring longer storage time.
 - ✓ **Excise Duty Exemptions:** Excise duty exemption for products sourced from the domestic markets, including goods, spares, DG sets, packing materials, etc.

- ✓ **Sales tax:** Exemption from sales tax and other levies imposed by State Governments
- ✓ **External Commercial Borrowings (ECB):** Upto USD 500 mn without any maturity restriction through recognised banking channels
- ✓ **Single Window Clearance:** For central and State level approvals
- **Infrastructure Benefits**
 - ✓ **Single product storage facilities:** Assist in meeting specific warehousing requirement for each product category, for example different sections for storage of tea and coffee, etc.
 - ✓ **Shared warehousing:** Availability of temporary storage facilities to enable users to meet short term demand without incurring significant costs (e.g. leasing space for a year to meet 2-3 months demand).
 - ✓ **Shared equipment:** Ability of users to save on capital investment by leasing equipment provided by the zone.
- **Administration Benefits**
 - ✓ **Delivery time:** Reduction in custom clearance time and better logistics connectivity leading to improved delivery time.
 - ✓ **Support facilities and effective management:** Provision of efficient management services and international expertise along with support facilities such as banking, insurance etc.
- **Other Benefits**
 - ✓ Export oriented.
 - ✓ FDI inflow.
 - ✓ Employment potential.
 - ✓ Competitiveness of industries.
 - ✓ Attractiveness of support/ancillary industries.
 - ✓ Boost to all-round economic activity.

14.4.3 Benefits to the parties involved with the FTWZ

The primary intent of the FTWZ policy is to attract companies associated with trading and related activities. These companies would include, trading companies, logistics providers, warehousing service providers and certain categories of manufacturing units. A brief description of the four main categories of users is provided below.

- **Trading Companies**

In view of the fiscal and regulatory benefits provided to the trading companies in form of custom & other related duty deferments and interest cost savings, a significant section of the users are expected to be traders.

- ✓ Exemption from custom duty/ excise duty on import/ domestic procurement.
- ✓ Savings from deferment of CD.
- ✓ Facility to supply goods to Domestic customers if need be.

- **Warehousing Service Providers**

An FTWZ would attract companies that offer warehousing space as a part of their service portfolio. These include several medium and large scale warehousing providers such as CRL, Snowman etc. who provide liquid, dry cargo and other specialized warehousing facilities such as reefer facilities. Offer clients export benefits even when goods are warehoused. Value addition by shifting the stuffing/de-stuffing operations just before shipments.

- **Logistics Company**

- ✓ The FTWZ would attract various categories of logistics service providers (3 PL companies). These include: Faster turnaround of fleet: No waiting time at Port.
- ✓ Cost competitive due to exemption from Service tax.
- ✓ Offers break bulk movements for LCL/FCL cargo.

- **Manufacturing Units**

A significant number of companies prefer to undertake their storage/ warehousing needs internally and accordingly acquire and maintain their own storage space. These companies may also utilize the zone to set up ‘mother-warehouses’ from where the products may be moved to the manufacturing unit (in case of imports) or dispatched to the international destinations (in case of exports) as and when required.

- ✓ To use FTWZ as their mother warehouse.
- ✓ Can shift goods from Factory to FTWZ.
- ✓ Claim export benefits.
- ✓ Free up space in factory.

14.5 Need for Free Trade Warehousing Zone

(i) Addressing supply gap in warehousing

There is significant warehousing space available in the country, both at the organised and unorganised level. However, due to rapid increase in trade volumes and growth in cargo movements witnessed in the past decade, there is a perceptible mismatch between

demand and supply of warehousing space in India. Additionally, the share of organised warehousing as compared to total warehousing space is negligible, which is perceived to be a significant drawback by the growing number of professionally managed trading corporations/ manufacturing units.

Private entrants in the organised warehousing sector are a relatively new phenomenon; the level of development is currently inadequate to meet the organised warehousing needs in the country. With the development of FTWZ(s), the share of organised warehousing will increase, and this in turn would facilitate a more efficient movement of international trade traffic to and from India.

(ii) Improved supply chain/logistics facility and reduced logistics costs

Warehousing and logistics are two key components in the international trading value chain. Currently, in India, it is perceived that neither logistics nor warehousing facilities match international standards. Inadequate facilities at the ports and ICDs lead to congestion, and slow movement of cargo, leading to unnecessary delays and increased logistics costs. By developing FTWZ facilities at this location, such issues can be effectively addressed as they would enable supply chain / logistics of international trade to function much more efficiently by removing the cargo bottlenecks witnessed at the ports.

In addition, such zones are envisaged to provide common infrastructure such as storage & handling equipments, shared storage space, etc. Provision of such shared infrastructure would enable the apportionment of associated capital costs across a larger base of users. This, in conjunction with the large scale of operations (providing economies of scale), would aid in significant cost reduction.

(iii) Streamlining of import/export procedures

The policy envisages a one-stop clearance of import and export formality, thereby ensuring quick movement of cargo to and from the port. This process has been stated to be specifically beneficial to import led trade, where currently, all products are required to complete the customs formalities prior to transportation or storage. The exception to the customs formalities is witnessed at Custom Bonded Warehouses (CBWs), where goods may be stored for a period of three months without any customs related charges.

Development of FTWZ(s) will provide an opportunity to the companies to store their commodities for an enhanced period of two years without having to undergo any customs formalities. The benefits to the users have been highlighted below:

- Deferred customs duties would prevent the blocking of working capital for companies having imports

- Savings on interest payments (in case duty deferment benefits are sought through CBWs) that has to be paid in case the storage period exceeds three months
- Ability to determine duty incidence at the time of sale ~ circumvents current problem of having to pay duty at notional prices on certain products

(iv) Facilitating transshipment & Hubbing opportunities

India does not fall on the historic maritime lanes / highways of the global shipping routes. As a result, India would have to provide very high quality infrastructure (both physical and in terms of trade environment) to evolve as a base for transshipment and hub of activities in Asia.

However, Indian ports at present do not provide the level of infrastructure, and support facilities that are desired by global trading communities. Accordingly, significant improvement of logistics facilities are required to enable India to attract companies to base their regional transshipment and hubbing operations from India. Development of FTWZ(s) will provide atleast similar, if not superior and cost – effective facilities that will encourage foreign companies to base their regional operations out of India.

(v) Improving India's share in global trade

Post liberalisation, India has experienced rapid increases in its trade volume; however, it still lags substantially behind 'competing' economies. Current business statistics reveal that India contributes to 2% (approx.) of the global trade (*Source: WTO Trade data and MoCI PIB release 2016*). Accordingly, to improve India's share in the global trade arena, world-class trade related infrastructure has to be developed to increase efficiency of Indian companies, and thereby their global competitiveness. Through such a zone, import/ export procedures could be streamlined; and entrepot and hubbing opportunities well explored, thereby providing the fundamental building blocks for improving India's share in global trade.

14.6 Development Strategy:

FTWZs are envisaged to be developed as bounded infrastructure providing warehousing, office space, open storage areas, support facilities etc. required by units established within the zone. These zones would be developed in close proximity to ports / dry ports, and would have connectivity to the hinterland / catchment area through road, and rail network. In order to assess the product configuration suitable for such a development, the nature of warehousing available in India and specifically in the vicinity of the identified sites were analyzed in detail. Additionally, global best practices of developments in the Middle East and Singapore were assessed to provide critical inputs for the study. In order to provide facilitating infrastructures, extreme care has to be taken while formulating the type of development, layout & design and physical infrastructure and equipment's to be provided.

APPENDIX-15

PROJECT PROFILE

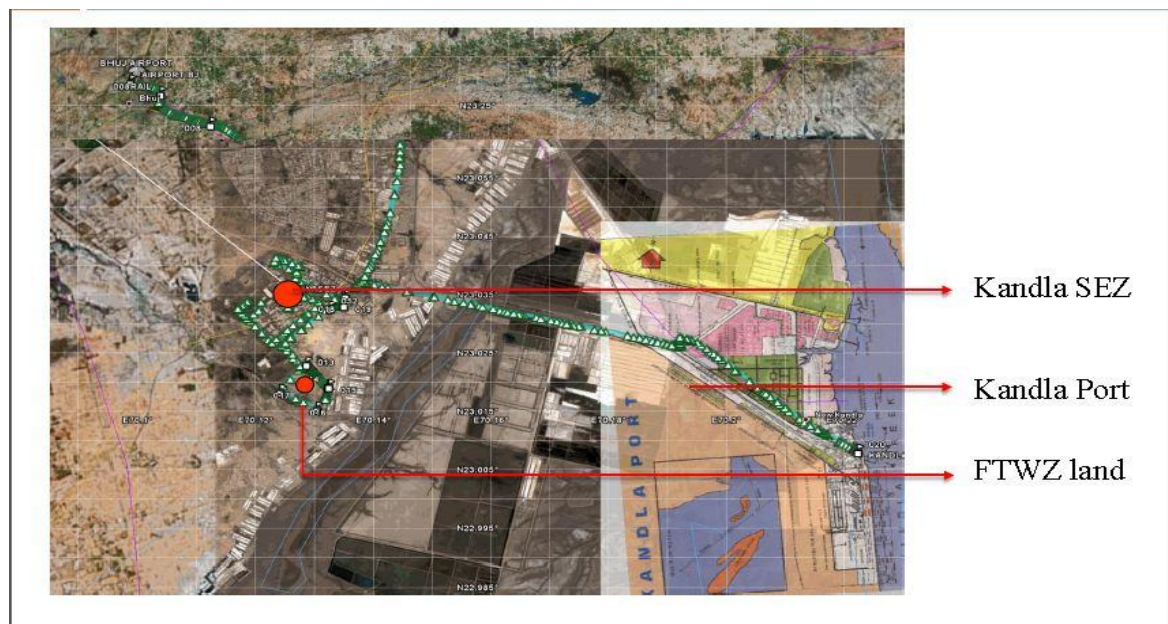
15.1 Project Background:

MMTC Limited and IL&FS Limited jointly promoted a company “Free Trade warehousing Private Limited (FTWPL)” for developing and implementing Free Trade Warehousing Zones at select locations across India. FTWPL is promoting a FTWZ in Kandla, Gujarat through a wholly owned subsidiary Integrated Warehousing Kandla Project Development Private Limited (IWKPDPL) on the land allotted within the operational Kandla Special Economic Zone (KASEZ). The planned FTWZ will be offering facilities like:

- Customised categorised warehouses: chemicals, food, electronics, oil, etc.
- Sophisticated freezer / cooler facilities.
- Break bulk, containerised and dry cargo storage facilities.
- Controlled humidity warehouses.
- Enhanced transportation facilities.
- World-class information system for cargo tracking etc.
- Office space.
- Support facilities and amenities like medical facility, canteen services, business centres.

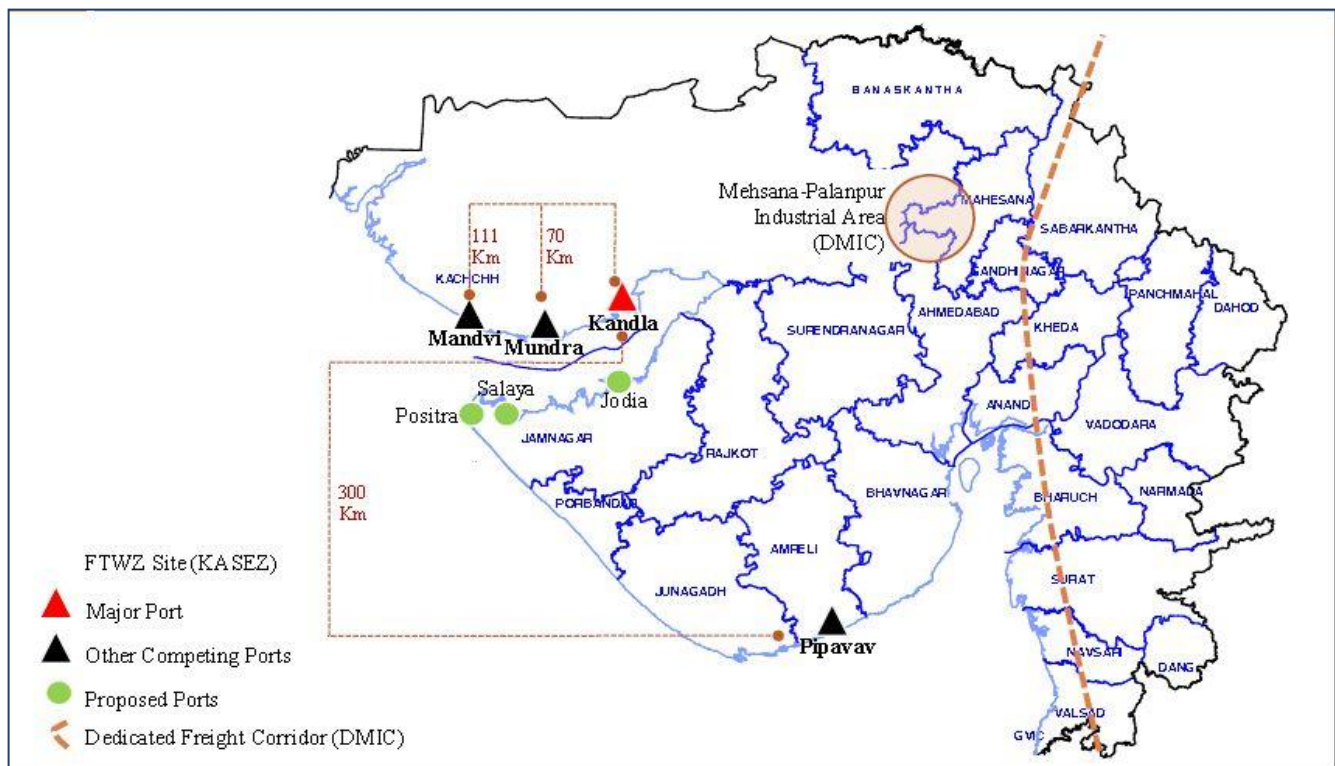
15.2 Project Site

Kandla is a seaport in Kutch District of Gujarat state in western India. Located on the Gulf of Kutch, it is one of major ports on west coast. The Port of Kandla is located on the north-western coast of India some 256 nautical miles southeast of the Port of Karachi in Pakistan and over 430 nautical miles north-northwest of the Port of Mumbai (Bombay) and around 90 kms from the mouth of the Gulf of Kutch on the Kandla Creek. The Port serves the hinterland of and beyond the state of Gujarat. The Kandla Special Economic Zone (KASEZ) is the biggest multiple-product SEZ in the country and is just nine kilometers from the Port of Kandla. Today, the Port of Kandla is India's major hub for exporting grains and importing oil. This self-sufficient port is one of the highest-earning ports in the country. Major imports entering the Port of Kandla are petroleum, chemicals, and iron and steel machinery, but it also handles salt, textiles, and grain. Kandla port has been awarded "Management Efficiency ISO-9001-2001 Award" by International Standard Organization.



Close up aerial view of Kandla

It has a near proximity to other major ports with excellent road connectivity (Mundra: 55Km, Tuna Jetty: 10Km, Pipavav: 150Km). Less than 2 hours travel time to Mundra- one of the fast growing port. KASEZ was Asia's first EPZ and is now a large multi-product SEZ area of 1000 acres with 168 functional units.



Major Ports in Gujarat

15.3 SWOT Analysis

To study the project and prepare a suitable SWOT analysis, we looked at the project in the micro and the macro view.

16.3.1 Macro-Environment

- **Geographic**

The proposed FTWZ, being just 7 km away from Kandla Port is certainly an added advantage as the cost and time involved in transporting, storing etc will be very low. The amount of cargo handled at Kandla Port is on the top of the list and with plans of increasing the capacity; these warehouses will be the first choice as they are located very near to the port.

- **Socio-cultural**

The city Gandhidham was developed on the existence of Kandla Port. Trading has been an integral part of Gandhidham right from its formation. The people in and around this place are directly or indirectly related to trading and this Free Trade Warehousing Zone will be accepted

- **Technological**

Many technological advances have occurred in warehousing and storage in the recent past. To name a few, warehouses can now be customised as per requirement-chemicals, food, electronics, oil, etc. and they are equipped with features like sophisticated freezer / cooler facilities, controlled humidity etc. This provides new value propositions for the players.

- **Political/Legal**

This project, being dependent on foreign trade is very much interlinked with the regulatory requirements and changes in Government policies as well as political relations of India with its trade partners. However over the last 10 years economic forces have remained the major influencing factor in foreign trade and no significant political or legal risks have occurred which potentially affect the foreign trade pattern.

15.3.2 Micro-Environment

- **Competition**

The local unorganised warehouses will be the main competitors. Penetration into the market to the maximum extent given the already existing warehouses is a major challenge to be looked into. Instead of competing with the existing players, the project proposes a collaborative approach by taking on service partners in its fold to offer integrated services to the clients.

The SWOT analysis framework is as follows:

Strengths

- ✓ Geographic advantage: Very near to Kandla Port.
- ✓ No dearth in volumes: Plan for increasing capacity further at Kandla Port.
- ✓ Technological advancements: More features than before.
- ✓ New concept in India leading to low competition.

Weaknesses

- ✓ Political and legal un-stability.
- ✓ Large number of unorganized players and is highly fragmented.

- ✓ Still in introductory stage in India, so takes time (Learning Curve) to attain maximum operational efficiency.

Opportunities

- ✓ An unfulfilled customer need.
- ✓ Arrival of new technologies.
- ✓ Promotional trade policies by the Government of India.
- ✓ Removal of international trade barriers.

Threats

- ✓ Upcoming new warehousing zones increasing competition.

15.3.3: Key Customer Segment & Preferences

Kandla Port is the highest revenue generating port in India. Kandla is mainly used for imports and exports of products from states such as Jammu and Kashmir, Punjab, Himachal Pradesh, Rajasthan, Haryana and Gujarat. 25% of Indian economy depends on export/import from other nations and 55 types of different chemicals are stored and processed at this port. In all, 12 states in India depend on the Kandla port and they export and import only by this port. The port is permitted by International Permit Craft of India and 12 states make use of it. The port exhibited financial robustness as it was not hit by any financial crisis and the recession.

15.4 Potential Commodities

The potential commodities and their characteristics, based on a visit to the Kandla port and meeting various traders based therein are as follows:

- **Wheat and fertilizer:** Kandla Port Trust constantly monitors the discharge, loading and evacuation of imported wheat and fertilizers. The port handles 2.22 lakh tonnes of fertilizers (15 vessels) and 4.73 lakh tonnes of food (19 vessels). The authorities expect an increase of 10 wheat vessels and 21 fertilizer vessels.
- **Salt:** The port also handles salt, which accounts to 15% of the total edible salt production in the country. India, 3rd largest salt producing country in the world, has an average annual production of about 148 lakh tonnes and exports it mainly to Japan, Philippines, Indonesia, Malaysia, Nepal and Bhutan permitted by Open General License (OGL).

- **Coal:** Kandla Port in the year 2015-16 handled around 14 Mn MTs of coal cargo as compared to 9.7 Mn MTs in the year 2014-15 an increase of ~53% from previous year.
- **Timber:** Kandla port is the major gateway for timber imports to India.
- **Others:** Kandla Port stores and handles bulk quantities of iron ore, granites and general cargo. Volume of Ores traffic has seen an increase of 70% in the year 2011-12. Ores throughput volume at Kandla Port is ~1 Mn MTs (FY 2015-16). Containerized cargo has increased to 1100 TEUs in the year 2015-16 from 2200 TEUs in FY 2016-17).

15.5 Project Features and Components

15.5.1 Key Features

FTWZ is a new upcoming concept in India with not many players as of now. The concept is still in the development stage and it will certainly take some time for the developers and users to get the maximum benefits out of this. There are a few important factors in this project that will help grow faster and stronger.

15.5.2 Location Advantage

Being a few minutes away from Kandla Port, a lot of traffic diversion can be done which is beneficial to developers and the users. Apart from Kandla, there is another port, Mundra, which can also use the facilities if needed. Place availability in Kandla Port plays a major role and since there is no more area available for further developments or constructions at Kandla Port, the chances of big players walking in as competitors is very low.

15.5.3 First Movers Advantage

Even if more warehouses come up in the vicinity, the envisaged projects still have the first movers advantage i.e., a strong database of players and customer relationship,

15.5.4 Niche Market

As of now not many players have ventured into this region and the entry barrier is high as it requires high capital expenditure. So it is expected that number of future players will be limited ensuring steady/rising demand.

Components

The proposed implementation framework will include following phases:

- **Project Preparatory Activities**
 - ✓ FTWZ in-principal and formal approval.
 - ✓ FTWZ notifications.
 - ✓ State support assistance.

- ✓ Other regulatory and statutory approvals.
- ✓ Proposal for Government grants (if required).

- **Project Feasibility and Business Plan**

- ✓ Conducting feasibility study.
- ✓ Business plan for financial modeling.
- ✓ Risk management framework.

- **Project Implementation Structure**

- ✓ Project execution and O&M arrangements.
- ✓ Financial structuring.
- ✓ Development of detailed term sheets.
- ✓ Legal assistance, marketing/ organization structure/ strategy.

- **Project Financing**

- ✓ Financial closure of projects, both debt and equity.

- **Project Execution**

- ✓ Engineering and procurement.
- ✓ Project management and supervision.

15.6 Location Analysis

15.6.1 Study on Gandhidham

Gandhidham is a city and a municipality in the Kutch District of Gujarat state of India. In recent history Gandhidham is a fast developing city in Gujarat state. Gandhidham is connected by road and rail to the rest of India. Transport Nagar, on the outskirts of Gandhidham is the hub of all major transport activity. The city has rail links to all major Indian cities like Mumbai, Pune, Kolkata, Ahmedabad, Indore, Bangalore, Jaipur, Kota, Delhi, Durg etc.

Gandhidham also has its own airport called Kandla Airport which is located six kilometers north of Gandhidham.



Gujarat State location

15.6.2 Location Analysis: Kandla

Kandla Port serves as a gateway for the West and North of India. The hinterland of the Port consists of J & K, Punjab, Himachal Pradesh, Haryana, Rajasthan, Delhi, Gujarat and parts of Madhya Pradesh and Uttar Pradesh. In order to support the operations of the port, i.e. to provide a base for social infrastructure, support facilities (hotels, conference facilities, etc) the town of Gandhidham and Adipur were established in close proximity to the port. The town of Gandhidham, approximately 11 kms from the port, was developed to act as the commercial

hub of the region while Adipur, approximately 4 kms from Gandhidham, was established as the residential hub of the region. The road connectivity between all the three locations is good.

Distance of Kandla from Major Cities in India

| Table: Distance of Kandla from Major Cities in India | | |
|--|-----------|-----------------|
| | | Distance in Kms |
| 1 | Bhuj | 65 |
| 2 | Ahmadabad | 363 |
| 3 | Mumbai | 793 |
| 4 | Delhi | 1360 |
| 5 | Kanpur | 1487 |
| Source – Kandla Port Trust | | |

15.6.3 Connectivity:

- **Road**

The Kandla region is connected to the hinterland through the four lane National Highway No 8-A, providing it easy access to both the northern and western markets. This highway is extended all the way into the Kandla port to enable the easy movement of goods to and from the port.

- **Railways**

Connectivity to the western zone railways provided at Gandhidham (approx 12 kms from Kandla) and at Bhuj (approx 65 kms from Kandla), with the railway line extending till the Kandla port.

- **Air Link:**

Kandla is accessible through the Bhuj airport approx 65 kms away. The airport offers daily scheduled flights to Mumbai and Delhi. Kandla Airport is also now operational, and has connectivity from Mumbai and Ahmadabad under UDAN Scheme of central government. Spice jet operates daily flight on Mumbai- Kandla-Mumbai route where Alliance air is to soon start operation on Ahmadabad-Kandla- Ahmadabad route.

15.7 Warehousing at Kandla

There are a number of warehouses located at Kandla for the storage of both dry and liquid cargo. These warehouses are available at the port location as well as in the interior areas like Gandhidham. The port itself also offers warehousing space, however it encourages storing goods outside the port boundaries. The warehouse (for dry cargo) types available at Kandla are covered warehouses, containers yards, open warehouses (without shed and without boundaries for product like salt), open warehouses with boundaries for storage of timber and scrap metal.

Existing available Storage Facilities in Dry Cargo Jetty Area are of 130 lakh sq ft with a storage capacity of approx 27.25 lakhs MTs (Source: Kandla Port Trust).

The private sector provides approx 4.5 lakh MTs of warehousing space in the region.

Recently, CWC has established a Container Freight Station next to the port area for effective and quick stuffing and de-stuffing of the cargo.

For the storage of the liquid cargo, there are several tank farms located in and around Kandla. These tanks offer facilities of storage for chemicals and edible oil. The total capacity handled by private sector was estimated to be of



465 tanks with a capacity of 980508 KL(Source: Kandla Port Trust). The leading companies providing such facilities in this area are CRL limited, FSWAI, Kesar Limited, FOCT Ltd. etc. FSWAI limited is the biggest company and manages approx 132 liquid storage tanks. The public sector and co-operative undertakings provide a storage area of 12 lakh KL.

15.8 Industries at Kandla

The major economic activity in Kandla is logistics. Industries that have established their units here are mostly related to the goods that are traded through the port, with an exception of salt manufacturers. For instance, edible oil is a major product being imported through the Kandla port. Hence, several companies have established their base out of Kandla for further processing of such products. Also, several companies for recycling of scrap, timber furniture etc. have cropped up over a period of time.

Another category of ancillary industries have also emerged to service port facilities like engineering, tanks repairing, tyre retreating, ship repairing etc.

The broad categories of industries available in this region are:

- Salt manufacturing industries
- Timers and plywood industries
- Fertilizer industry
- Edible oil Industry

In parallel, transportation and shipping line companies that are primary constituents of logistic industry also operate in large numbers near the region. According to industry sources, more than 200 small and big transport companies are operating out of Kandla.

15.9 Social Infrastructure:

Kandla has a well developed social infrastructure providing almost all the basic necessities required for the development of any project to be conceived in the vicinity. As explained earlier, Adipur and Gandhidham together provide the residential, commercial, and recreational support infrastructure for the development of Kandla port and surrounding areas.

• Schools

Gandhidham and Adipur together have enough number of schools and colleges in the region. As per the latest data compiled by GCCI, there were approx. 52 schools and 9 colleges in the target region.

These colleges include Art and Science college, Institute of pharmacy, Institute of management studies, College of business administration etc.

Hospitals

Gandhidham and Adipur have a number of small and large hospitals in the region. There is also a 300 bed state-of-the-art hospital together with an array of support facilities.

Hotels

There are a number of 3 and 4 star hotels in the region like Portico Sarowar, Radisson, Madhuban, Shiv Regency etc. Few resorts are also available like Sharma Resort, Holiday Village Resort.

Entertainment facilities

Entertainment facilities like restaurants, food joints, markets are well developed in the region. Gandhidham also has a multiplex which is a famous entertainment center in the city.

Overall, although the social infrastructure in Kandla, Gandhidham & Adipur has a lot of scope for improvement, the current facilities are sufficient to sustain the proposed project.

15.10 Kandla Special Economic Zone (KASEZ)

The Kandla SEZ, is located at an arm's length to the Kandla port facilitating easy, quick and effective cargo movement for all the units located in the zone. The zone is developed on a land parcel of 1000 acres. The KASEZ was established in 1965 and posted an export turnover of INR 0.74 million in 1966-67. Today, the export turnover has grown to approx. INR 48470 million (2017-18) which is a clear indication of its constant progress.

Leading companies operating in the zone include HLL (FMCG products), Schmetz (precision engg.), Rusan (pharmaceutical), IPCA (pharmaceutical), Baccarose (perfumes & toiletries), Sharda Metal & Lalit (utencils and appliances). Motherson Sumi, PRAJ Industries (Automobile components) etc.

APPENDIX-16 Market & Demand Assessment-Kandla FTWZ

16.1 Market Assessment

Following the liberalization policy in 1991, Indian trade and economy have registered a stupendous growth rate. Deviating from its autarky style of working, the liberalization policies opened up the gates for FDI and free trade. Indian trade with the world increased and exports helped the country get more foreign exchange.

However, there still are a few trade barriers which are being addressed by the Government. Tariffs have been decreased, quantitative restrictions on imports have been eliminated and export promotion measures are being planned out.

India Trade with the US

India is currently our 9th largest goods trading partner with \$67.7 billion in total (two way) goods trade during 2016. Goods exports totalled \$21.7 billion; goods imports totalled \$46.0 billion. The U.S. goods trade deficit with India was \$24.3 billion in 2016.

Trade in services with India (exports and imports) totaled an estimated \$47.2 billion in 2016. Services exports were \$20.3 billion; services imports were \$26.8 billion. The U.S. services trade deficit with India was \$6.5 billion in 2016.

According to the Department of Commerce, U.S. exports of Goods and Services to India supported an estimated 197 thousand jobs in 2015 (latest data available) (82 thousand supported by goods exports and 116 thousand supported by services exports).

India Trade with UAE

Dubai is an important trade partner of India. Being a significant oil supplier for the entire world, Dubai has a long trading relationship with India. With liberalization, Indian trade with Dubai has grown beyond oil imports. In 2017, trade relations between the UAE and India reached \$53 billion, of which \$35 billion is non-oil trade

The major products exported from India to Dubai are machinery, audio equipment, TVs and videos, textiles and textile articles, vehicles, aircraft, vessels and base metals and articles of base metal. The major imports from Dubai to India are precious & semi-precious stones and precious metals, steel, Aluminum and articles.

India tops the list of importers as well as exporters for Dubai with a share of 13.14% and 45.7% respectively. Other major trading partners of India include China, Iran, Singapore and Saudi Arabia.

16.2 Assessment of market potential and Demand Assessment for Kandla FTWZ

The level of trade witnessed at Kandla, have been utilized as an independent variable to determine future warehousing requirement. This has been done with due consideration that the quantum of warehousing space required is directly linked to the export import dynamics witnessed at a particular location, i.e. it has a direct impact on the categories and quantum of

storage requirement.

- ✓ Agriculture and allied products
- ✓ Processed Food
- ✓ Marine Products
- ✓ Ores and Minerals (including coal)
- ✓ Gems and Jewellery
- ✓ Chemicals and allied products
- ✓ Pharmaceutical products
- ✓ Fertilizers
- ✓ Engineering goods including mech. appliance
- ✓ Electronic goods
- ✓ Textiles
- ✓ Petroleum Products
- ✓ Paper and products
- ✓ Iron & steel and NFM

The intent of the FTWZ policy is to provide superior trade related infrastructure to foster greater economic activity. An FTWZ will provide storage related infrastructure and support logistics. In an endeavour to ascertain the commodities having significant potential in utilization of the proposed zone as a part of the trade logistics chain, a study on the overall trade dynamics of India was conducted.

Detailed below are the types of products that fall under each of the identified categories / sub-

categories–

- **Processed Food** includes fresh fruits and vegetables, vegetable seeds; various items of processed cereals; dairy products; meat products; spirits, and beverages; floricultural products; and other miscellaneous products that are processed from agro-products
- **Agriculture and allied products** include plantation products like tea, and coffee; cereals such as wheat, rice, maize, and lesser cereals, pulses; sugar; tobacco; oil meals such as soya meal, guergum meals, ground nut etc.
- **Marine products** include fish products (both fresh and simply preserved) crustaceans including frozen fish, shrimp, prawns, squids, etc.
- **Ores and Minerals** include iron ore, other ores, processed minerals, and coal
- **Gems and Jewellery** include precious and semi-precious stones; jewellery of gold with precious stones; coins; jewellery clad with gold; other precious stones; precious metals like platinum, gold, and silver.

- **Chemicals and allied products** include inorganic/ organic chemicals, inorganic/ organic compounds of precious metals/ rare earth metals, tanning and dyeing extracts, colouring matter, pigments, paints; miscellaneous chemicals
- **Fertilizers & associated raw materials** include urea, MOP, DAP, ammonium sulphate, sodium nitrate, sulphur, and unroasted pyrites etc.
- **Pharmaceutical products** include manufactured medicines, surgical products apart from machinery, equipments, bandages, poultices etc.
- **Engineering goods** including mechanical appliances such as large machinery used for manufacturing purposes, pistons, valves, turbines, motors, hydraulic engines, table fans, ceiling fans, industrial fans, consumer electrical machines like mixers, ACs, water coolers, washing machines, dryers, etc.
- **Electronic goods** include VCRs, VCDs, shavers, lights, small consumer items like torches, batteries, toasters, microwave ovens, modems CDs, printer circuits, switches etc.
- **Textiles and related articles** include silk, wool, cotton, vegetable fibers, manmade filaments; carpets, and floor covering; Knitted or crocheted fabrics, articles of apparel, not knitted or crocheted, articles of apparel, knitted or crocheted; Others made up textile articles; sets; worn textile articles; rags
- **Petroleum products** include Mineral fuels including crude oil, mineral oils & products; bituminous substances; mineral waxes
- **Iron & steel articles** include finished and semi-finished iron and steel, including pig iron, Ferro-alloys, flat and rolled iron products, wires, billets, bars, hot, and cold-rolled steel, pipes, pins. Bolts etc.; scrap metals.
- **Non-Ferrous Metals** include among other things Copper, Aluminum, Nickel, Lead, Zinc, Tin, and alloys and products thereof, such as, cathodes, bars, plates, circles, foils tube pipes; tubes & pipe fittings of lead sanitary fixtures, others etc

16.3 Demand Analysis

A study based on a data analysis was conducted to project future demand for warehousing space in the region. The study is aimed towards ascertaining the requirement of warehousing space based on the selected commodities which predominantly form the traffic of the Kandla and Mundra Ports/ Region classified into Solids and Liquids.

16.3.1 The commodity wise traffic handled at Kandla Port from the year 2007-08 to 2016-17 is listed below:

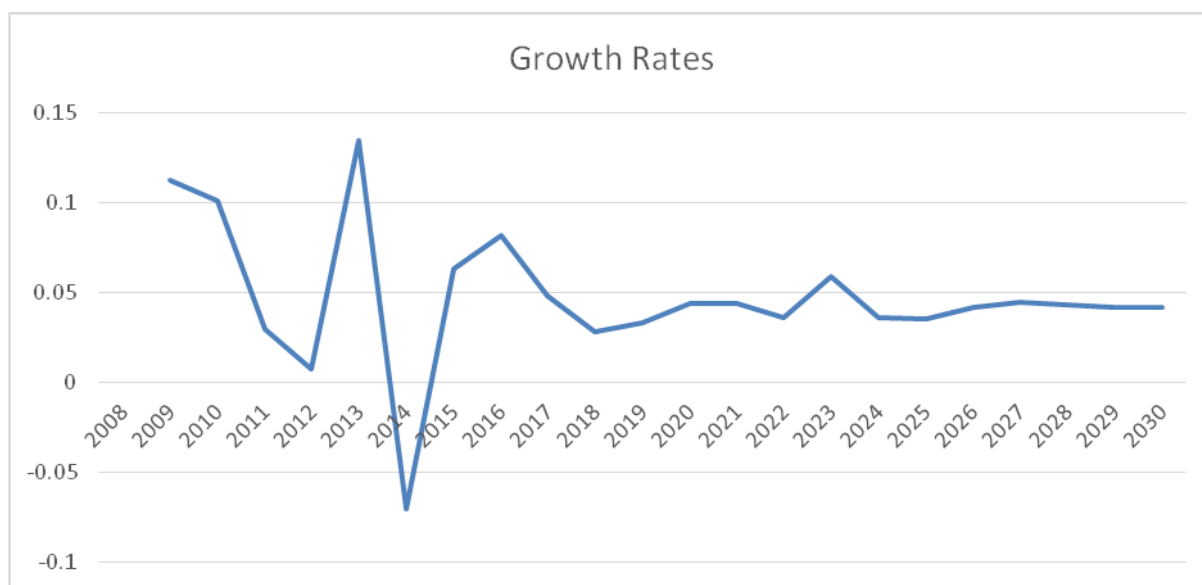
| Commodity Group-wise EXIM Traffic Handled at Kandla Port | | | | | | | | | | | |
|---|---------|-------|----------|------------|-----|---------|--------|-----------|-----|-------------|--------|
| (2007-2008 to 2016-2017) | | | | | | | | | | | |
| (In ' 000 Tonne) | | | | | | | | | | | |
| Port | Traffic | P.O.L | Iron Ore | Fertilizer | | Coal | | Container | | Other Cargo | Total |
| | | | | Fin. | Raw | Thermal | Coking | Tonnage | TEU | | |
| Kandla | 2007-08 | 38225 | 419 | 3916 | 159 | 935 | 244 | 2617 | 165 | 18405 | 64920 |
| | 2008-09 | 45538 | 129 | 5195 | 298 | 1407 | 467 | 2136 | 137 | 17055 | 72225 |
| | 2009-10 | 47211 | 660 | 4912 | 788 | 2296 | 929 | 2421 | 146 | 20304 | 79521 |
| | 2010-11 | 48427 | 626 | 5807 | 583 | 3082 | 410 | 2586 | 160 | 20359 | 81880 |
| | 2011-12 | 46946 | 991 | 5297 | 761 | 4065 | 161 | 2766 | 166 | 21514 | 82501 |
| | 2012-13 | 54355 | 1006 | 3678 | 946 | 4064 | 374 | 1935 | 118 | 27261 | 93619 |
| | 2013-14 | 53137 | 586 | 2644 | 991 | 6080 | 270 | 452 | 29 | 22845 | 87005 |
| | 2014-15 | 62653 | 1160 | 3847 | 655 | 9725 | 242 | 0 | 0 | 14215 | 92497 |
| | 2015-16 | 65124 | 952 | 4362 | 170 | 14784 | 217 | 56 | 3 | 14382 | 100051 |
| | 2016-17 | 47130 | 386 | 2901 | 228 | 10784 | 276 | 87 | 4 | 9784 | 71580 |
| <i>Note: Figures for 2016-2017 are up to Sept.</i> | | | | | | | | | | | |
| <i>Source: Indian Ports Association and Kandla Port Trust</i> | | | | | | | | | | | |

Accordingly a study to understand the space requirement was done based on traffic flow expected in the region.

Based on the assumption listed above the target volume of traffic for Kandla region is taken at 40%. Shown below is the commodity wise traffic targeted for Kandla. It is seen that in the year 2007-08 and 2016-17 the average increase in volume of traffic is robust at ~6% in the range of negative 7%to~13.5% respectively.

Commodity wise Cargo Traffic at Kandla Port

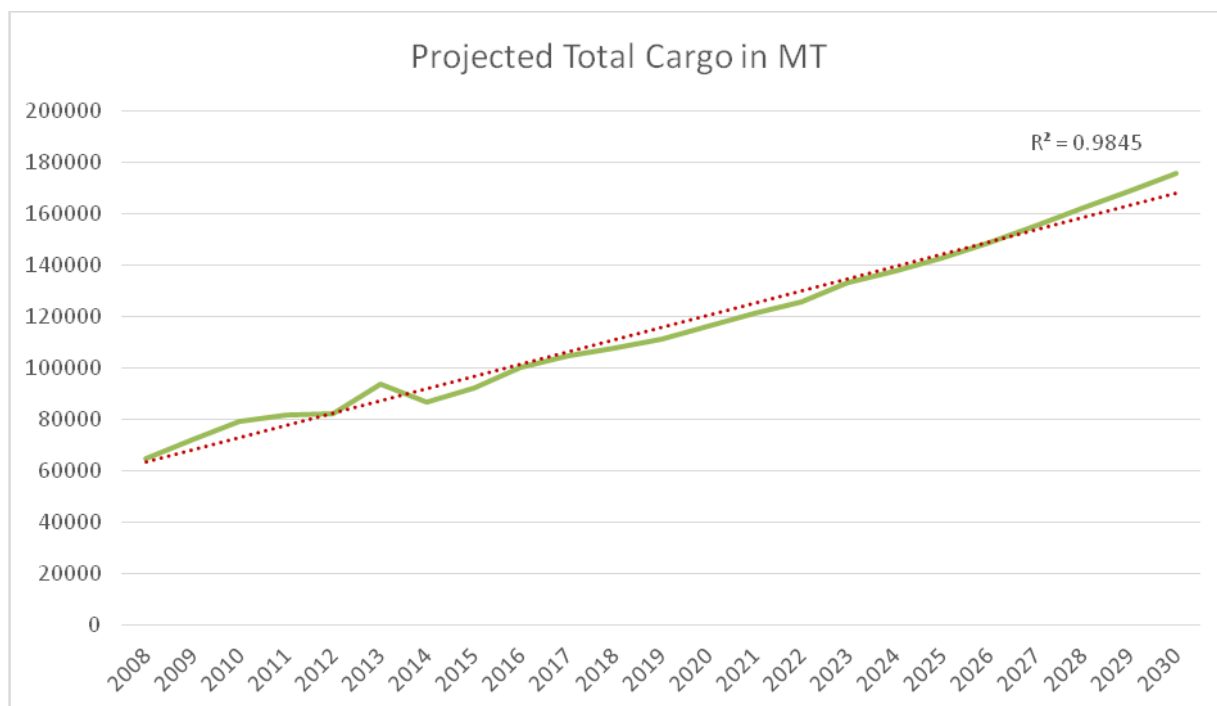
| Commodity Group-wise EXIM Traffic Growth at Kandla Port | | | |
|---|---------|--------|--------|
| (2007-2008 to 2016-2017) | | | |
| (In ' 000 Tonne) | | | % |
| Ports | Traffic | Total | Growth |
| Kandla | 2007-08 | 64920 | |
| | 2008-09 | 72225 | 11.25% |
| | 2009-10 | 79521 | 10.10% |
| | 2010-11 | 81880 | 2.97% |
| | 2011-12 | 82501 | 0.76% |
| | 2012-13 | 93619 | 13.48% |
| | 2013-14 | 87005 | -7.06% |
| | 2014-15 | 92497 | 6.31% |
| | 2015-16 | 100051 | 8.17% |
| | 2016-17 | 71580 | |



16.3.2 Cargo Projection for Kandla Port

The first step to estimate the capacity projection of cargo in Kandla is to estimate the demand for warehousing area required at in the region, the estimated traffic projection is provided below:

| Port-wise Capacity Projection of Cargo in India 2017-18 to 2029-30 | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (In Million Tonne) | | | | | | | | | | | | | |
| Port | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
| Kandla | 104872 | 107806 | 111364 | 116249 | 121342 | 125669 | 133052 | 137865 | 142724 | 148661 | 155294 | 162021 | 168761 |



| Port-wise Capacity Projection of Cargo 2017-18 to 2029-30 | | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (In Million Tonne) | | | | | | | | | | | | | |
| Port | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
| Kandla | 104872 | 107806 | 111364 | 116249 | 121342 | 125669 | 133052 | 137865 | 142724 | 148661 | 155294 | 162021 | 168761 |

Target (Projected) Traffic for Kandla (in '000 tonnes)

| Projected Years | Total Expected Target Traffic at Kandla Port in '000 tonnes | Growth Rate |
|-----------------|---|-------------|
| 2017-18 | 41949 | - |
| 2018-19 | 43123 | 2.80% |
| 2019-20 | 44546 | 3.30% |
| 2020-21 | 46500 | 4.39% |
| 2021-22 | 48537 | 4.38% |

| Projected Years | Total Expected Target Traffic at Kandla Port in | Growth Rate |
|-----------------|---|-------------|
| 2022-23 | 50268 | 3.57% |
| 2023-24 | 53221 | 5.87% |
| 2024-25 | 55146 | 3.62% |
| 2025-26 | 57090 | 3.52% |
| 2026-27 | 59464 | 4.16% |
| 2027-28 | 62118 | 4.46% |
| 2028-29 | 64808 | 4.33% |
| 2029-30 | 67504 | 4.16% |

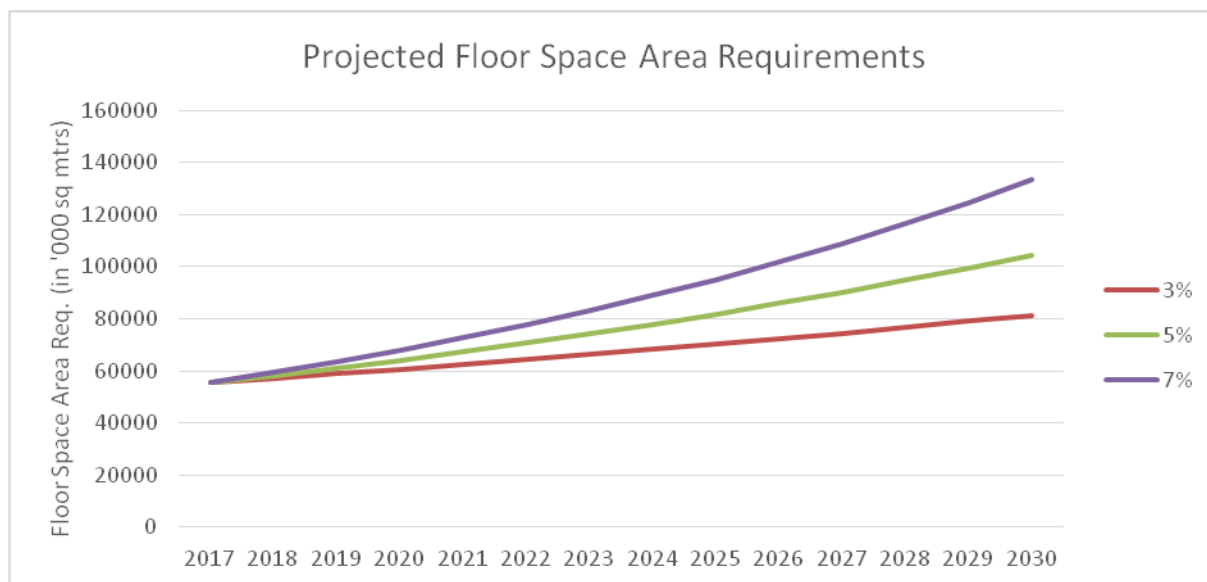
16.4 Total Warehousing Area requirement

The space requirement in the region is projected for the next 13 years from the year 2016-17 on the basis of CAGR of 3%, 5% and 7% to understand the changing dynamics on the basis of different growth projections. Shown below is the projected space area calculation in sq mtrs from the year 2017 to 2030 based on the estimated growth rate.

Floor space area requirement projections ('000 sq mtrs)

| Years | CAGR | | |
|-------|-------------------|----------------------|--------------------|
| | 3% (Low Estimate) | 5% (Likely Estimate) | 7% (High Estimate) |
| 2017 | 55431 | 55431 | 55431 |
| 2018 | 57094 | 58203 | 59311 |
| 2019 | 58807 | 61113 | 63463 |
| 2020 | 60571 | 64168 | 67905 |
| 2021 | 62388 | 67377 | 72659 |
| 2022 | 64260 | 70746 | 77745 |
| 2023 | 66188 | 74283 | 83187 |
| 2024 | 68173 | 77997 | 89010 |
| 2025 | 70218 | 81897 | 95241 |
| 2026 | 72325 | 85992 | 101908 |
| 2027 | 74495 | 90291 | 109041 |
| 2028 | 76730 | 94806 | 116674 |
| 2029 | 79031 | 99546 | 124841 |
| 2030 | 81402 | 104524 | 133580 |

The graph below provides the floor space requirement for the entire forecast period of the project.



It is expected that with the increasing demand for the quality warehousing space in the region the proposed FTWZ shall attract the projected traffic at expected capacity utilization.

16.5 Kandla FTWZ

The FTWZ is envisioned to be a logistics and distribution centre providing a ‘Free Zone’ environment that integrates various aspects of logistics operations along with provision of high quality infrastructure, thus enabling an efficient operational environment for trade facilitation.

Free Zones offering trading and warehousing infrastructure is a well-established concept in the global trade and warehousing arena. The model has been well accepted and has exhibited a history of providing substantial encouragement to the foreign trade and warehousing activity. This fact is supported by globally recognised successful examples such as Jebel Ali Free Zone (UAE), Curacao (Netherlands Antilles), Colon Free Zone (Panama), Distriparks of Netherlands, Sharjah Airport International Free Zone (SAIF) Zone (UAE) etc.

The Zone is expected to maintain superior quality standards by housing top of the line product offerings and world-class facilities. Some of the key product offerings that would be potentially available in a FTWZ are:

- ✓ Customised categorised warehouses ~ chemicals, food, electronics, oil, etc.
- ✓ Sophisticated freezer / cooler facilities

- ✓ Break bulk, containerised, and dry cargo storage facilities
- ✓ Controlled humidity warehouses
- ✓ Enhanced transportation facilities
- ✓ World-class information system for cargo tracking etc.

In addition to the facilities highlighted above, the zone would also make available general support facilities, for the effective storage and movement of cargo. They are highlighted below:

- ✓ Counterbalance forklifts
- ✓ Cranes & Grabs
- ✓ Stackers
- ✓ Push carts, picking trolleys & bins
- ✓ Shelves and storage bins
- ✓ Strapping, electronic scales, etc

Further, since Kandla FTWZ will be developed near the Kandla port and adjoining the existing KASEZ, convenient and effective movement of goods through air, sea, rail or road would be facilitated thereby offering the users of the Kandla FTWZ, a superior infrastructure platform thus enabling increased efficiencies.

16.5.1 Kandla FTWZ – Land

The Office of the Development Commissioner, Kandla Special Economic Zone (“KASEZ”) has provided 75 acres of land for the Kandla FTWZ on sub-lease basis for a period of 30 years co-terminus with the lease deed signed between Kandla Port Trust and KASEZ. The said land is in the possession of KFTWPL and will be a part of the existing Kandla SEZ. A map of the land site allocated for the project is placed below,



Kandla Free Trade Warehousing Pvt Ltd (KFTWPL) is a special purpose vehicle (SPV) wholly owned by a joint venture of IL&FS group and MMTC with equal equity holdings of 50% by each partner.(Name of the company changed from Integrated Warehousing Kandla Project Development Private Limited to Kandla Free Trade Warehousing Pvt Ltd on 29th March 2017 by the order of Registrar of Companies New Delhi) IWKPDPL has obtained approval as “Co-Developer” from Board of Approvals, Govt of India.

Kandla SEZ (KASEZ) had originally allotted 100 acres land to KFTWPL within SEZ, on a sub-lease basis. The sub-lease deed was executed and possession of the land was taken in 2007. The land area was subsequently reduced to 75 acres. The land area becomes 69.5 acres after exclusion of a peripheral road. The site layout plan for the FTWZ has been approved by Development Commissioner, KASEZ, vide letter dated Jan 05, 2016. Thereafter, site development works commenced and the layout was demarcated at site. Till date, part development of phase I has been completed by KFTWPL that includes land development, complete peripheral boundary wall, approach roads, street lighting, drainage, common facilities centre, fully furnished site office, horticulture/ landscaping etc. along with a partially built close-warehouse up to the lintel-level.

Based on the application filed by Project SPV, the Development Commissioner had granted approval for setting up a unit within Kandla FTWZ. The Unit is proposed to be established on Plot No 23-27 with an aggregate land area of approx 9.2 acres. The facilities proposed to be developed include open storage yards and covered warehouses. The facility would cater to the demand of users, requiring warehousing facilities for the short term. In the first stage, it is proposed to construct a general purpose warehouse, with a covered area of 2500 sqm. The Building Plans for the warehouse has been approved by Development Commissioner in 2017 after receipt of approval, the construction work commenced in June 2017 and the superstructure works are in progress. The fully built up warehouse is expected to be ready by the end of March 2019.

Agreement for 4 acre of land was been signed on Nov. 06, 2017 with M/S United Drilling Tools Ltd. (UDTL) for duration of one year (from Dec. 01, 2017).It is providing monthly revenue of Rs. 6.96 Lakh. Further approval for two more proposals i.e. of M/s R Supply Chain Pvt Ltd for taking full warehouse space i.e.2500 sq mtr along with additional open space of 3583 Sq mtr and M/s Sequel logistic Pvt Ltd for open space of 2321 Sq mtr have been received and agreements with these firms have been signed. This will provide annual revenue of 75 lakhs with an escalation of 5%.for 5 year.

KFTWPL is continuously receiving enquires for close warehouse spaces from national and foreign trading and manufacturing firms.

The current status of FTWZ at Kandla is described in the following pictorial section.



View of Entry Gate (Completed)



View of Common Facility Centre (Completed)



View of Open Warehousing for Pipes (United Drillings)



View of completed boundary wall



View of Levelled Ground subsequent to Cutting & Filling (Partially Completed)



View of Paved Road (Partially Completed)



View of Warehouse (Partially Completed)