

Project: Development of International Standard Tourism Theme Destination in Punjab on Pathankot Dalhousie Road around Ranjit Sagar Lake on PPP mode (74.76 acres)

(PostSSC meeting dated 14.07.2021)

S.No	Clause Ref. No. and Page Number	Clause	Bidder's Query	Responses after the SSC approval for the approval from EC
I. <u>M/s Mahindra Holidays and Resorts India Ltd</u>				
1.	Clause 1.3 of RfP, Page 7	Both the Projects would be undertaken on a PPP mode with separate Concession Period ("Concession Period") of 60 (sixty) years each which shall run concurrently. The construction period, for Phase I of Project 1 and entire development of Project 2 is thirty-six (36) months from the Appointed Date (as defined in the Draft Concession Agreement); Phase II of Project 1, the scheduled construction completion date is 10th year from the Appointed Date	Request 60 years concession period to be changed to 99 years looking at huge investment required and should be exclusive of construction period.	No Change
2.			The construction period for entire development of Project 2 is thirty-six (36) months from the Appointed Date for mandatory commitment. It is requested to consider provision 12 months extension in view of ongoing pandemic.	No Change

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3.	Clause 1.6 of RfP, Point No.4 and Page number 7	Last date of submission of Bid (Bid-due date) 30.06.2021	PIDB is requested to shift the date to 31-7-21 due to Covid Restrictions & Pandemic crisis as travel difficult to see site and asses the feasibility.	Bid due date extended to 13.08.2021
4.	Clause 3.2.2 of RFP, Page 11	Performance Security	Value of all types of securities put together is resulting in a high upfront cost for bidder. PIDB is requested to consider waiving of performance security during construction in lieu of upfront premium being asked from bidder since the upfront premium ensure performance adequately.	<p>In view of the ongoing pandemic situation and the office memorandum dated 12.11.2020 issued by the Ministry of Finance, the Performance Security is reduced to 3% to give comfort to the concessionaire.</p> <p>The revised clause would read as below:</p> <p>Clause 9.1.1 The Concessionaire, for the performance of its obligations hereunder during the Construction Period, have provided to the Authority prior to signing of this Agreement, an irrevocable and unconditional guarantee from a Bank for a sum equivalent to INR 13.46 Crore (for Project 1)(Rupees Thirteen Crores Forty Six Lakhs only)/ INR 3.16 Crore (for Project2) (Rupees Three Crores Sixteen Lakhs only)}4 in the form set forth in Schedule-D(the "Construction Period Performance Security").</p>
5.	Clause 3.2.4 of RfP, Point b, Page 12	The annual Concession Fee to be paid would be INR 3.56 Crore for Project 1 and INR 2.65 Crore for Project 2.	Annual premium of 2.6 Cr works out to be very high and makes the resort unviable since it pertains to only the land component.	This is a unique project where the government is not simply providing a land parcel, it has provisioned for a developable land amidst a forest area where all the essential approvals have been obtained. The Government has made the land ready for a water front

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				<p>development in an exclusive setting with no similar development in the vicinity. The site is on a major tourist circuit with the permission of exercising water sports activity in the lake. All this has been considered during feasibility assessment for the project and Annual Concession Fee has been derived based on the assessment.</p> <p>No Change.</p>
6.	Clause 3.2.4 of RfP, Point c, Page 12	The Annual Concession Fee for each of the two Projects (five percent) cumulative each on an annual basis.	5% increment cumulative each on an annual basis is very high and not justifiable as even the annual inflation does not come to 5% per annum. The investor is creating a destination for the development of State tourism and investing huge sums of money and this being a cyclic business, our profits depend on competition, seasons, new destinations and other factors hence 5% annual increment does not work for this industry.	No Change
7.	NA	NA	What is the land reckoner price per acre for Project 2?	<p>Land reckoner price is not applicable in this case as substantial investments has already been made by the Government of Punjab to develop this project and subsequently have obtained all necessary approvals and enabling infrastructure.</p> <p>Further, the bidder may do the necessary assessment at its own level to determine this.</p>
8.	NA	NA	PIDB is requested to facilitate all approvals as single	Invest Punjab is the Nodal Agency of the State to

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			<p>window facility on behalf of concessionaire and also commit the timeline for approvals like it is done by other state governments (As an example, Orissa Tourism Development corporation currently provides this as does a few other states). This is particularly required to ensure that the bidder is able to complete construction in the period finally decided by PIDB</p>	<p>facilitate as a single window for all necessary approvals.</p>												
9.	<p>Schedule B of Draft Concession Agreement, Page 144</p>	<p>Mandatory Obligations</p>	<p>The document specifies ~30,000 sqm of development on project site 2. As per draft agreement 50% of this area is a mandatory commitment. Concessionaire should be permitted to construct lower build up area in phase 1, based on feasibility/ market demand as per discretion of concessioner.</p>	<p>Revised clause of Schedule B: Project 1:Niloh Tikka Palangi</p> <table border="1"> <tr> <td>1.</td> <td>From Appointed Date</td> <td>Start of onsite development</td> </tr> <tr> <td>2.</td> <td>18 months from Appointed Date</td> <td>Levelling of at least 25% of Permissible Ground Coverage and laying of underground water, power and sewerage lines</td> </tr> <tr> <td>3.</td> <td>24 months from Appointed Date</td> <td>Ground floor roof slab for at least 12.5% of Permissible Built-up area</td> </tr> <tr> <td>4.</td> <td>36 months from Appointed Date (Phase I)</td> <td>Commissioning of at least 25% of Permissible Built-up area</td> </tr> </table>	1.	From Appointed Date	Start of onsite development	2.	18 months from Appointed Date	Levelling of at least 25% of Permissible Ground Coverage and laying of underground water, power and sewerage lines	3.	24 months from Appointed Date	Ground floor roof slab for at least 12.5% of Permissible Built-up area	4.	36 months from Appointed Date (Phase I)	Commissioning of at least 25% of Permissible Built-up area
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4.	36 months from Appointed Date (Phase I)	Commissioning of at least 25% of Permissible Built-up area														

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				<p>5. End of 10 years from Appointed Date (Phase II)</p> <p>Commissioning of at least 50% of Permissible Built-up area</p>
				<p>Project 2: Kulara Island</p>
				<p>1. From Appointed Date</p> <p>Start of onsite development</p>
				<p>2. 18 months from Appointed Date</p> <p>Levelling of at least 25% of Permissible Ground Coverage and laying of underground water, power and sewerage lines</p>
				<p>3. 24 months from Appointed Date</p> <p>Ground floor roof slab for at least 12.5% of Permissible Built-up area</p>
				<p>4. 36 months from Appointed Date</p> <p>Commissioning of at least 40% of Permissible Built-up area*</p>
10.	Clause 1.8 of Project	Indicative Plan	Conceptual	<p>These below components of resort should not be imposed. The concessionaire should be allowed flexibility to develop Eco Resort facility as per own</p> <p>a,b,e,f,g&h: The components given in the Project Information Memorandum (PIM) are indicative only. There are no mandatory components in the list of</p>

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	<p>Information Memorandum</p>		<p>business plan within the permissible BUA, as long as design intent of eco resort and stage I forest clearance is not violated.</p> <ul style="list-style-type: none"> a. o Proposed Villas 50 (5,574 Sqm) and Proposed Keys 125 (11,617 Sqm) b. • The room matrix / mix between standard rooms and villa to be decided by concessionaire based on business plan and their customers and should be its own configuration and typology. c. Interpretation centre (8,200 Sqm) d. What is the definition of interpretation centre? e. What all facilities are to be built within this as the area allocation to this component is very high. Would it be used for public? f. This should not be a mandatory component. g. Staff Facilities (300 Sqm) h. More area is needed as this is not sufficient for all staff facilities. i. Parking :As per PUDA bye laws parking norms of 2 ECS for 100 sqm FSI is applicable which translates to 600 ECS for project 2 which is very high and also not achievable with 5% cap on parking + road area. What is the minimum number of parking required for project 2? j. Access road :Why is the access road plan to site 2 not shared in the bid? k. PIDB to confirm that this access road to site 2 will 	<p>activities. These activities are an exhaustive list for which the approval has been obtained under the Environment Clearance& Forest Clearance. Please note, no activities other than these listed shall be permitted on the site. The concessionaire has the flexibility to design the facilities in accordance with the approved Master Plan, development control regulations of PUDA/Punjab Eco-Tourism Policy, terms and conditions of the Forest Clearance, Environmental Clearance any other prevailing norms as applicable.</p> <p>c & d. Please refer DPR and Punjab Eco-Tourism policy 2009</p> <p>i. Same as point no. 57.</p> <p>J & k. The development of this bridge shall be obligation of the developer.</p>
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			<p>be built by them along with necessary bridge to ensure road connectivity to the site as indicated in sketches, before signing of the agreement.</p> <p>i. Access road to the site needs to be min 12 m clear, even mandated internal roads are 9 m, whereas document mentions 6 m width road to access to site. Needs confirmation. The resort needs to have fair connectivity with the surrounding context for easy accessibility. There needs to be more than one way to approach the site for the evacuation of a maximum number of people during an emergency.</p>	<p>i. Access Road: The access road narrative will specify that there is a single access to each site. The access roads linking the project site 1 & 2 are being widened by the Punjab Mandi Board. The road is being widened are between the range of 14 feet to 16 feet i.e. 4.27 m to 4.88 m depending on ROW availability and terrain.</p> <p>It is proposed the following narrative may be added in PIM: The access road width provided to the Concessionaire shall be are between the range of 14 feet to 16 feet i.e. 4.27 m to 4.88 m depending on ROW availability and terrain. The details are enclosed at Schedule A /B.</p>
11.	Clause 1.6 of Project Information, Point c, first bullet, Memorandum, Page 6	No permanent structure will be erected on Kulara. In addition, the bidder will finalise and submit the layout plan of the resort along with finalised architectural design before State-II approval.	Clause 1.6 C of Vol II. This clause “no permanent structure will be erected in Kulara....” Needs clarification and definition of permanent structure to be provided. Will the steel structure with concrete foundation be permitted under this definition?	<p>As per DPR page no. 49, Eco-friendly construction techniques for temporary structures to be followed. Methods of doing so could be explored. For example, pier foundation or combination of concrete blocks and wooden flooring. Steel could also be used, for perhaps larger span structures, if required.</p> <p>Representative Images (as per DPR) showing few methods of plinth construction and wooden floorplate for making temporary structures/tents –</p>

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				<p>The environmental quality, aesthetics, design intent and holistic architectural character envisioned should not be hindered and all compliances to be modified appropriately as per hilly and island topography; which shall be further approved by the specially appointed Monitoring Committee (under the Chairperson of CCF (Hills) with representatives from Northern Regional Office of MoEF& CC; SEIAA, Punjab; Ranjit Sagar Dam Authority; and members of adjoining Joint Forest Management Committee-JFMC) for the specific project.</p> <p>No Change</p>
12.			<p>Interpretation of design intent</p> <p>a. The design typologies/ master plan indicated in the document as a reference should serve as guidelines and not as binding requirements.</p> <p>b. The height restrictions indicated are 9 m and G+1, however, 12 m max height and G+2 stories configuration gives more flexibility in design and helps in achieving low density development.</p> <p>c. Similarly use of local material should be a general guideline not a mandatory condition to maintain flexibility and control cost/ availability</p>	<p>a. Yes, the design typologies/ master plan in the document is indicative and serve as guidelines that has to be followed.</p> <p>b & c. The height restrictions of 9m cannot be changed to 12m as the project has to be in accordance with the guidelines set forth in Punjab Eco-Tourism Policy 2009.</p> <p>No Change</p>
13.			<p>What is the soil strata, is it marshy land adjoining the site? Does the site have mangroves? When will PIDB provide the Soil test report?</p>	<p>The concessionaire may carryout a soil strata at its own cost. However, the site identified is not a marshy land nor it has any mangroves.</p>

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14.			WhatsupportPIDBcanprovided duringconstruction?Supportregardingtemporarypowerand waterdrawingpermission for construction phasesas wellassome land area for labour accommodation and construction activities will be very helpful.	Concessionaire will approach the concerned authorities for necessary connections and utilities.
15.			<i>Left blankintentionally</i>	
16.			<i>Left blank intentionally</i>	
17.			The Concession so granted in only a license. Clarify as to what will be the rights of the Successful Bidder/ Concessioner in the land/ project	<p>Please see Article 22 Sub-Licensing & Service Provider Right and Article 41 Right and Title over the site as mentioned in the Draft Concession Agreement.</p> <p>22.1.1. Sub-Licensing & Service Provider Rights For the purpose of exercising its rights pursuant to Article 3 of this Agreement, the Concessionaire may, subject to and in accordance with the terms of this Agreement, at any time, grant sub-license and/ or service provider rights to</p>

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				<p>reputed/ well established names in the related field for the purpose of carrying out the activities and businesses described under this Agreement on such terms and conditions as Concessionaire may determine are reasonably appropriate, subject to the same being within the framework of this Agreement and not being contrary to the terms and conditions of this Agreement or any other Project Agreement. Provided that, if and to the extent required by any Applicable Law related to security clearance in the interest of national security, such sub-license and/or service provider right holders shall have obtained the necessary and requisite security clearance from the concerned competent authority. The grant by the Concessionaire of any sub-license and/or service provider rights shall not relieve the Concessionaire of any of its responsibilities, duties and obligations under this Agreement. The Concessionaire shall provide copies of all such Sub-License Deeds and/or service provider agreements entered into (or any amendment thereof) with sub-licensees and/or service providers to the Authority within 7 (seven) days of such execution/ amendment.</p> <p>41.1 Licence Rights</p> <p>For the purpose of this Agreement, the Concessionaire shall have rights to the use of the site as sole licensee subject to and in accordance with this Agreement, and to this end; it may regulate the entry and use of the Project by third parties in accordance with and subject to the provisions of this Agreement.</p>
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18.			Conditions mentioned in Clause 10.1 and 10.2 are contrary to each other and clarification is required as to what types of rights are to be granted to the Successful Bidder. Whether it is the license, development rights etc. What sort of entries will be made in the revenue records (as license may not be mutated)?	Please refer to clause 4.1.2 (b) of Draft Contract Agreement.
19.			In law, there is no sub-licensing rights and the Agreement does not provide to the Successful Bidder a letting, hence please clarify how sub-letting will apply. This clause 22 will need to be modified in accordance with the rights to be provided.	No Change.
20.			The construction of access road till the project site 2 should be included in obligation of the authority.	Same as query no. 10.
21.			Under the Agreement, the Authority only have the responsibility to assist and support the Successful Bidder for obtaining approvals, permissions, infra facilities etc. Whether this will be sufficient for the project to go ahead. In our view, the Authority should be responsible for getting all such permission for the Project, as also to ensure proper infrastructure etc. (roads, electricity etc.) in place to the Project Area and should be included as obligation of authority under condition precedent.	Same as query no. 8.
22.			What will the consequences for the bidder if the approvals/ clearances are delayed from the respective authorities and not able to meet the three-year deadline for phase 1 completion	Please see Clause 4.4 and 12.4 of the Draft Contract Agreement. 4.4 Extension of period for fulfilment of Conditions Precedent The Parties instead of levying Damages and/ or

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				<p>terminating the Agreement may mutually agree to extend the time period mentioned hereinabove for the fulfilment of Conditions Precedent only when such delay is attributable to delay in receipt of Stage 2 Forest Clearance.</p> <p>12.4.3 In the event that the Concessionaire is unable to achieve completion of the Mandatory Development Obligations even after the lapse of more than 120 (one hundred and twenty) days from the Scheduled Completion Date or the Scheduled Phase Completion Date, as the case may be, unless the delay is on account of reasons solely attributable to the Authority or due to Force Majeure, the Authority may at its sole discretion terminate this Agreement and forfeit the Performance Security of the Concessionaire; the Upfront Premium amount paid by the Concessionaire shall be retained by the Authority. In the alternative, the Authority keeping in view the facts and circumstances existing may grant further extension of time to the Concessionaire. Such further extension of time shall be for a period not exceeding 60 (sixty) days and shall be subject to payment of further damages by the Concessionaire at a rate of 0.2% (zero point two per cent) of the amount of Construction Period Performance Security for each day of delay.</p>
23.	Clause 3 of Draft Contract	Article 3- Concession Grant of	As per Clause 3, the term is inclusive of the construction period. 60 years term should be over and above the Construction Period. Thus, the Construction Period	No Change

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	Agreement, Page 14		should be excluded from Agreement Term and Appointment Date should commence from COD date.	
24.			Whether the 365 days for completion of Condition Precedents on part of both the parties will not be adequate and needs to be extended to 3 years due to ongoing pandemic.	No Change.
25.			Damages should have parity for both the parties (10% or 20% of the Performance Security).	No Change
26.			All the drafts of Drawings, Project Agreements etc. are to be verified and approved by the monitoring committee. The remuneration and all other expenses relating to Monitoring Committee has to be borne by the Successful Bidder. The Authority has the right to appoint any person and affect any change in the Monitoring Committee (successful bidder can only have recommendatory powers). Bearing of fee of monitoring agency will lead to conflict of interest. Ideally this requirement to be deleted as it will create further complication in smooth execution of the project and interpretation issues will lead to disputes and delays for both parties. Investor is putting in so much of investment in the project, they should be given operational flexibility to execute the project. As investors, we are concerned about delay, about cost being borne inspite of investment for such monitoring committee and interference	The role of Monitoring Committee is to check compliance of Forest Clearance approvals. This Committee will be set up by the State Government towards compliance with the stipulation contained in the Stage-1 Clearance granted by the MoEF for the Project. Whereas, the Supervision Committee is appointed by the Authority that will check the compliances set forth in the Agreement. Any external consultant shall be appointed by the Supervision Committee to assist them if required on any matter. The roles and responsibilities of the Supervision Committee is defined in Article 13, Article 14, Article 17, Article 19, Article 23 and other articles set forth in the Agreement.
27.			Prior to the handing over of the site to the Successful	It is proposed that the following clause may be inserted:

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			Bidder, all encumbrances and encroachments, unauthorised constructions etc. (if any) are to be removed.	Revised Clause 10.2.1 In consideration of the Concession Fee, this Agreement and the covenants & warranties on part of the Concessionaire herein contained, the Authority in accordance with the terms and conditions set forth herein, hereby grants onto the Concessionaire, commencing from the Appointed Date, leave and license rights in respect of all the land (along with any buildings, constructions or immovable assets, if any, thereon) comprising the Site which is described, delineated and shown in Schedule-A (the "Licensed Premises"), on an "as is where is" basis, free of encumbrances, to develop, operate and maintain the Project on or above the said Licensed Premises, together with all rights, liberties, privileges, easements and appurtenances whatsoever to the said Licensed Premises, hereditaments or premises or any part thereof belonging to or in any way appurtenant thereto or enjoyed therewith, for the duration of the Concession Period and, for the purposes permitted under this Agreement, and for no other purpose whatsoever.
28.	Clause 9 of Draft Contract Agreement, Page 34	Article 9- Performance Security	Clause 9 provides for many performance securities. These are not commercially viable. Kindly reconsider.	No Change

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29.			<p>The inspection rights enumerated in Clause 10.6 is very wide. There should be during office hours and after sufficient notice, and at agreed intervals which is not specified in the Agreement. Kindly clarify.</p>	<p>The revised clause would read as under:</p> <p>Clause 10.6 The license, right of way and user right to the Site granted to the Concessionaire hereunder shall always be subject to the right of access of the Authority, the Monitoring Committee, the Supervision Committee, any other competent Authority and agent so nominated for inspection, viewing and exercise of their right and performance of their obligation under this Agreement or otherwise as part of their prescribed duties. All such visits shall be carried out during working hours only with a 24 hours prior intimation to the Concessionaire.</p>
30.			<p>Clause 12- Kindly verify whether it will be completed in accordance with all the T&C mentioned in the Agreement</p> <p>12.3 (c) – This clause makes it mandatory for the authority to revert within 30 days with approval on any drawings submitted. In the case, no communication is received, it should be deemed to be defacto approval to avoid unnecessary delays</p> <p>12.4.1 – it will be impossible to finish construction by the 1095th day for appointment due to time required for approvals and the eco sensitive nature of the site. PIDB has itself taken a lot of time to secure approvals and would understand. Suggest that Approvals period be extended to maximum of 18 months and another three</p>	<p>12.3 (c) No Change</p> <p>12.4.1 Conditions Precedent period is already provisioned for 365 days to procure approvals that is a reasonable time for the bidder to meet the CPs. No Change</p>

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			<p>years be allowed for construction</p> <p>12.4.1 – 0.1% penalty – we will not be in a position to confirm to this due to this clause being unreasonable. Any investor having invested substantial monies on construction/approvals, Bid fees etc will want construction completed. With no specific time given for approvals, imposing this cost will be completely unreasonable. Suggest the authority to revise this to 1% every 15 days after 54 months of appointed date</p> <p>12.4.3 – can be applicable after 54 months, but any investor should be given atleast 180 days minimum as a notice period. Also the clause is vague and open for interpretation and will lead to disputes later including imposition of 0.2% late payment</p>	<p>12.4.3 – Please see point 5 of Corrigendum-2</p>
31.	<p>Clause 12.3 (e) of Draft Contract Agreement, Page 41</p>	<p>No review and/ or observation of the Authority and/or its failure to review and/ or convey its observations on any Drawings shall relieve the Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall the Supervision Committee or the Authority be liable for the same in any manner; and</p>	<p>As per Clause 12.3 (e), No review and/ or observation of the Authority and/or its failure to review and/ or convey its observations on any Drawings shall relieve the Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall the Supervision Committee or the Authority be liable for the same in any manner. This clause is onerous and cannot be accepted. What is the need for such mechanism if devoid of any accountability?</p>	<p>No Change</p>

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32.	Clause 13.6 of Draft Contract Agreement, Page 46	<p>Monitoring by External Consultant</p> <p>The Authority, at its discretion, reserves the right to appoint an external consultant for assisting/ facilitating the Authority in the monitoring process. The cost of such an external consultant shall be solely borne by the Authority.</p>	<p>As per Clause 13.6 there is a proposal to appoint an external consultant over and above the supervising committee, this multiple level of supervision will be counterproductive and lead to disputes and differences. The whole monitoring mechanism to be simplified and to be made lighter.</p>	Same as point 26.
33.			<p>There is no mechanism as to raising objections or putting forth the viewpoint as to the recommendations/ decision of the Monitoring/ Supervision Committee. The same has to be put in place in clear parlance.</p>	<p>Monitoring Committee will be set up by the State Government towards compliance with the stipulation contained in the Stage-1 Clearance granted by the MoEF for the Project and thus the process governing the same cannot be commented upon or outlined at this stage by ADA. In case of any difference, the same would be handled as per Dispute Resolution procedure mentioned in Article 42 of the Draft Contract Agreement.</p>
34.			<p>Damages has to be reasonable, and not on per day basis, for delay in COD from the Scheduled Date. Further, there should not be termination rights in case of delay of only 120 days or so as mentioned in Clause 15.2, the fact that the investor is committing a large investment to the project should be taken in account while deciding the threshold as also delay from</p>	No Change

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			authorities for approvals and other aspects.	
35.	Clause 16 of Draft Contract Agreement, Page 51		The Power as to Change in Scope (as in Clause 16) cannot be exercised at any stage of the Project. It is to clarify as to till what stage the Scope may be changed. Change of scope if required needs to be mutually agreed along with related commercial/ time implications.	<p>The clause 16.2.3 of the Agreement clearly mentions that if Change of Scope is required both the Concessionaire and Authority will make good faith efforts to agree upon the time and costs for implementation of the same.</p> <p>16.2.3 Upon receipt of information set forth in Clause 16.2.2, if the Authority decides to proceed with the Change of Scope, it shall convey its preferred option to the Concessionaire, and the Parties shall, with assistance of the Supervision Committee, thereupon make good faith efforts to agree upon the time and costs for implementation thereof. Upon reaching an agreement, the Authority shall issue an order (the "Change of Scope Order") requiring the Concessionaire to proceed with the performance thereof. In the event that the Parties are unable to agree, the Authority may, by issuing a Change of Scope Order, require the Concessionaire to proceed with the performance thereof pending resolution of the Dispute, or carry out the works in accordance with Clause 16.5.</p> <p>No Change</p>
36.		Article 17.7	Damages for breach of maintenance obligations cannot be without any reasonable notice and the rights of termination are not acceptable.	<p>The revised clause would read as under:</p> <p>Clause 17.7:In the event that the Concessionaire fails to repair or rectify any defect or deficiency set forth in the Maintenance Requirements within the period specified</p>

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				<p>therein, it shall be deemed to be in breach of this Agreement and the Authority shall be entitled to recover Damages, to be calculated and paid for each day of delay until the breach is cured, at the rate of 0.1% (zero point one per cent) per day of the Operation & Maintenance Period Performance Security subject to a maximum of 180 days. Recovery of such Damages shall be without prejudice to the rights of the Authority under this Agreement, including the right of Termination thereof for continued default beyond 180 days. In the event, the Concessionaire fails to pay the aforesaid Damages to the Authority, the Authority is entitled to encash and appropriate the relevant amounts from the Performance Security of the Concessionaire and upon such encashment and appropriation, the procedure specified in Clause 9.3 shall apply mutatis mutandis. Provided that the Authority may, in its discretion, demand a smaller sum as Damages, if in its opinion, the breach has been cured promptly and the Concessionaire is otherwise in compliance with its obligations hereunder. The Concessionaire shall pay such Damages forthwith and, in the event, that it contests such Damages, the Dispute Resolution Procedure shall apply.</p>
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37.	Clause 17.8 and 17.9 of Draft Contract Agreement, Page 56	<p>17. 8 Authority's right to take remedial measures</p> <p>17.9 Overriding powers of the Authority</p>	Clause 17.8 and 17.9 are not acceptable	<p>Clause 17.9 -No Change</p> <p>However, the mandatory right of the Authority to take remedial measures under clause 17.8 has been made optional at the discretion of the Authority by proposing the following amendment in the clause. The revised clause would read as under.</p> <p>Clause 17.8.1In the event the Concessionaire does not maintain and/or repair the Project or any part thereof in conformity with the Maintenance Requirements, the Maintenance Manual or the Maintenance Programme, as the case may be, and fails to commence remedial works within 15 (fifteen) days of receipt of the O&M Inspection Report or a notice in this behalf from the Authority or the Supervision Committee, as the case may be, the Authority, without prejudice to its rights under this Agreement including Termination thereof, reserves the right to undertake such remedial measures at the risk and cost of the Concessionaire, and to recover its cost from the Concessionaire. In addition to recovery of the aforesaid cost, a sum equal to 20% (twenty percent) of such cost shall be paid by the Concessionaire to the Authority as damages. For the avoidance of doubt, the right of the Authority under this Clause 17.8.1 shall be without prejudice to its rights and remedies provided under Clause 17.7.</p>
38.	Clause 19 of	Article 19 – Monitoring of Operation and	The monthly reports without proper definition of content as mentioned in Clause 19 are not feasible, as well as	The revised clause would read as under.

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	Draft Contract Agreement, Page 60	Maintenance	the inspection quarter every quarter are not acceptable	Clause 19.1: During Operation Period, the Concessionaire shall no later than 7 (seven) days after the close of each month, furnish to the Authority and the Supervision Committee a monthly report stating in reasonable detail the condition of the Project including its compliance or otherwise with the Maintenance Requirements, Maintenance Manual, Maintenance Programme and Safety Requirements, and shall promptly give such other relevant information as may be required by the Supervision Committee. In particular, such report shall separately identify and state in reasonable detail the defects and deficiencies that require rectification. The Concessionaire shall prepare the format of such monthly report and get it approved from the Supervision Committee/Authority prior to submission of the same in terms of this clause.
39.	Clause 32 of Draft Contract Agreement, Page 80	Article 32- Force Majeure	Force Majeure clause (32) requires modification A) Clause 32. 7.2 pertains to cost attributable to force majeure – our queries are a) in the case of a non -political event, will the project still have to pay the PIDB land lease annual premium – if it is so, it will be unfair. b) in the case of force majeure due to a political event, the investment made could be sunk and we will still have to pay back equity to our shareholders and Debt to Banks – would request a solution to the same	No Change

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			B) Clause 32.9.2 – in case of an indirect political event – investors should be paid the full book value at the minimum	
40.	Clause 33 of Draft Contract Agreement, Page 86	Article 33- Compensation for Breach of Agreement	Clause 33- to be revisited. Damages are to be quantified as well and cannot be vague	No Change
41.	Clause 35 of Draft Contract Agreement, Termination Clause, Page	Article 35- Termination	Suspension Clause (34) is not acceptable	No Change
42.			Termination rights (Clause 35) is onerous and to be amended suitably, to protect both parties' rights.	No Change
43.	Clause 36 of Draft Contract Agreement, Page 98	Article 36 – Divestment of Rights and Interest Article 37- Defects Liability after Termination	Clause 36 and 37 cannot be accepted	No Change
44.	Clause	Assignment by the	Assignment rights under Clause 38.4 needs clarification,	No Change

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	38.4 of Draft Contract Agreement, Page 101	Authority Notwithstanding anything to the contrary contained in this Agreement, the Authority may, after giving 60 (sixty) days' notice to the Concessionaire, assign any of its rights and benefits and/ or obligations under this Agreement; to an assignee who is, in the reasonable opinion of the Authority, capable of fulfilling all of the Authority's then outstanding obligations under this Agreement.	as to who can be the assignee	
45.	Clause 39 of Draft Contract Agreement, Page 102	Article 39 – Change in Law	In case of change in law, project not to be terminated and special approval should be procured by the Authority	No Change
46.	Clause 41 of Draft	Article 41- Rights and Title over the Site	Clause 41 needs changes in view of rights to be provided.	No Change

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	Contract Agreement, Page 106			
47.			Rights under Clause 41.2 are to be time-bound	Same as query no. 29
48.	Clause 41.3 of Draft Contract Agreement, Page 106	<p>Property Tax</p> <p>All property taxes on the Site (excluding the private land purchased by the Concessionaire, if any, for which the Concessionaire itself shall be responsible being the owner) shall be payable by the Authority as owner of the Site; provided, however, that any such taxes payable by the Concessionaire under Applicable Laws for use of the Site shall not be reimbursed or payable by the Authority.</p>	Clause 41.3, property taxes cannot to be made payable by the authority, need confirmation	<p>All property taxes with respect to the Project Site shall be payable by the Authority as owner of the Project Site. Concessionaire under Applicable Laws for use of the Project Site (including taxes relating to the buildings constructed) on the Project Site shall be made by the Concessionaire.</p> <p>No Change</p>
49.	Clause 42 of Draft Contract Agreement	Article 42 – Dispute Resolution	In relation to the Dispute Resolution mechanism, the arbitrator cannot be an interested/ related party and has to be neutral. Hence, the clause needs to be modified.	No Change

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	nt, Page 107			
50.	Clause 43 of Draft Contract Agreement, Page	Article 43 – Redressal of Public Grievances	Clause 43 requires clarification	No Change
51.			Are we allowed to pledge “concession rights” to financial institution against the proposed loan/fund raise? Need clarity.	Please refer to clause 38.2 of Draft Concession Agreement.
52.	Clause 29 of Draft Contract Agreement, Page 73	Article 29 – Escrow Account	As per clause 29, concessionaire to open an escrow account and all sale proceed/ revenues to be received in the escrow. This is not practical and operationally friendly. With stringent termination clauses and high amount of performance security, the need for escrow account should not arise. It should not be mandatory.	Please refer to point 11 to 16 of Corrigendum-2.
53.			What is the various insurance cover need to be taken and who will be the beneficiary?	Please refer to Article 30 of Draft Concession Agreement, it is self-explanatory.
54.			Need clarity on definition of Net Worth	This shall be added at Article 45 Definitions of DCA. “ Net worth ” is a commonly used financial term as defined by Companies Act, 2013 is Net Worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders).

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55.			The condition of the highway from Pathankot to the village Dhar Kalan is currently very bad. At village Dhar Kalan, one has to go downhill toward the site, the entire length of road ~4-5 Km is very narrow with only 2.5 to 3 meter width. This width of road does not allow for vehicles coming from opposite sides to pass. Since the authority is planning two large resorts at this location, request clarity if this road is being widened, and to what extent since a large number of vehicles are expected to use this road.	Same as point no. 10.
56.			The access to the Kulara island site has not been yet created. The current passage is through a filled up earth, which gets submerged during the monsoon. This will require a proper bridge connection above the high flood level. As per our understanding of the RFP this will be developed by PIDB, Request confirmation of the same.	Same as point no. 10.
57.			As per RFP, the common parking lot is proposed near site 1, which unfortunately cannot be accessed by users of Site 2 due to no direct connectivity. Request clarity on the parking plans for site 2 and location of the same. If we do need to build parking within Site 2, it will require cutting more trees	The masterplan has an eco-sensitive layout and a conservative approach to parking, as also suggested in the EIA approval. Therefore, a park and ride concept has been applied here. The park and ride concept entails that a larger consolidated parking lot is created at the masterplan level and from there visitors can either walk to their destination or use an EV vehicle service or in this particular case perhaps also private boats

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				<p>managed by the developer. This concept allows for restrained use of private cars, a richer experience and lesser pollution.</p> <p>This approach is globally followed in many major eco-tourism-based developments:-</p> <p><i>N.B.:</i></p> <ol style="list-style-type: none"> 1. <i>'Park and Ride' is an established low carbon approach to sustainable tourist mobility reducing congestion and improving air quality and the visitor experience.</i> 2. <i>It takes about 10-15mins of boat ride from Palangi (site 1) to Kulara (site 2), according to our site visits, which is quite less & implementable compared to many other water-based tourisms developments.</i> 3. <i>The concept of 'park and ride' here also adds to the exclusive experiential quality the development would provide to the visitors, increasing the value.</i> <p>As per the above understanding, following parking areas have been planned:</p> <p><u>Site 1 -Naloh Tikka Palangi</u></p> <p>This is proposed to be an exclusive consolidated parking area for Naloh Tikka Palangi and Faugli Tikka Kulara Island. The size and capacity of this area is: Exclusive Parking Site = 6.86 Acres = 27,761 Sqm = 1110</p>
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				<p>Cars</p> <p>N.B.:</p> <p><i>During the REC meeting held on 21-22 January 2020, it was informed that as the facility shall attract more visitors, it was critical to provide additional parking facility. In order to provide this, an exclusive parking area has been earmarked and requested to Forest Division which shall not have any construction and shall facilitate as parking for the entire facility at Site 1 & Site 2. The EIA approval considers such additional facility located in close proximity to the functions. This proactive measure shall further secure the native surrounding and restrict encroachment from illegal parking.</i></p> <p><u>Site 2 – Faugli Tikka Kulara</u></p> <p>This parking area site is as per the prescribed 5% of total site area of Kulara Island.</p> <p>The size and capacity of this area is:</p> <p>5% of 18.54 Acres = 0.92 Acres = 3723 sqm = 149 Cars</p> <p>Total car parks thus provided is 1110+149 Cars = 1259 Cars</p> <p>The most important aspect of this development is the ecology of the site and its context. With the same idea in mind throughout the process of master planning and</p>
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				<p>numerous discussions, the usage of cars was minimised (compared to urban areas); keeping alive the spirit of the project, while increasing its exclusivity in experience simultaneously. A substantial amount of parking was provided (mentioned above).</p> <p>This shall be added in the narrative of the PIM.</p>
58.			<p>Site 2 is full of mature/ grown trees, which will need to be felled for any development to happen. RFP specifies proposal for felling of ~3100 tree between the 2 sites. Request clarity on how many trees have been identified for site no 2 and Site 1 respectively</p>	<p>All tree felling shall be as per Forest Clearance under the authorisation & guidance of Divisional Forest Officer, Pathankot.</p>
<p>II. M/s Deepak Builders</p>				
59.			<p>Regarding Construction Period Performance Security: he promoter is required to submit Construction performance security of amount 5% of the capital cost of project. It is requested to reduce the amount of Construction performance security to 3% so as more amount of liquid funds is available with promoter towards project implementation.</p> <p>After the completion of 1st year, it is requested to reduce the amount of capital cost of the project by subtracting the amount which has already been invested in the project in 1st year when submitting the</p>	<p>Same as Query no. 4</p>

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			<p>performance security for 2nd year.</p> <p>Consecutively same process to be followed for 3rd, 4th, 5th year (The amount which has been invested in the project in preceding years to be subtracted from amount capital cost against which construction performance security is to be submitted).</p> <p>The performance security for 2nd, 3rd, 4th and 5th year would be submitted on reduced capital cost so that the promoter is not required to pay security on the amount which has already been invested in the project.</p>	
60.			<p>Regarding Annual Concession Fee:</p> <p>It is requested for the annual concession fee and its annual escalation rate of 5% annually to be reduced substantially to make the investment financially viable.</p> <p>As per our review of the financial viability of the project, around 25% to 30% of the net revenue from the project would be paid as a form of concession fee and operator fee which would make the project financially unviable for the promoter who is putting in huge investment. The percentage would increase even further in the months when tourist occupancy is lesser and profit margin would decrease.</p> <p>Further, as marketing costs have not been included in the capital cost of the project, a substantial amount of budget would be required to be allocated by promoter</p>	Same as Query no. 6.

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			<p>towards successful marketing of the eco-resort considering remote location of the project and currently being a non-tourist area. Thus, a reduction in annual concession fee is requested so as adequate funds can be allocated towards successful marketing of the project.</p> <p>Also, as only non-permanent structures are allowed to be constructed on the Kulara island, it would call for a high cost of maintenance of property and promoter would be needed to continuously keep investing a part of profits into the maintenance of the project.</p> <p>It is to be noted that if the project implementation is successful, promoter would also be paying both the central and state government in the form of direct and indirect taxes making the project a source of tax revenue for the state government. A substantial amount of taxes would be paid to government by the promoter during construction period and upon successful launch of the project.</p> <p>It is thus requested to substantially reduce the annual concession fee along with the escalation percentage to make the project financially viable for the project promoter.</p>	
61.			<p>Regarding Construction Period:It is requested to increase the construction period of 3 years to 5 years considering the scale of the project and approval processes</p>	Same as point no. 2.

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			required from various government and non-government agencies which would require thorough surveys and approval proceedings	
62.			Regarding Construction in Non-Permanent Structure and use of eco-friendly materials: It is requested to share the list/details (if available) of eco-friendly material proposed to be used at the project for better reference and understanding. Also, regarding the construction of only non-permanent structures allowed at Kulara island, the details (if available) regarding types of non-permanent structures allowed and material that can be allowed to be used for structure are requested to be shared for better reference and understanding	Same as point no. 11.