

Response to Further Pre-bid Queries for “Selection of Private Sector Player for development of Convention & Exhibition Centre, Mohali on DBFOT basis”

S.no.	Subject of the Query / Original Clause	Query	Response / Revised Clause
1.	As per Industry Standards & Worldwide practice Service Apartments and Hotel are similar Product with different service facilities.	a) Does GMADA has the same view and understand the Service Apartment concept?	The Project site falls under Commercial Land Use. Based on PUDA Building Rules 2013, Service Apartments are allowed in Mixed and Commercial Land Use, subject to a maximum Carpet Area of 600 sq ft for each Service Apartment unit
		b) Can we build Service Apartments on FSI which is over and above the 150 keys 4 Star Hotel?	
		c) Can we offer the Service Apartments on long term lease basis to Investors?	The RFP doesn't restrict any leases that are standard business or market practice, subject to the outer limit of the Concession Period.
		d) The long term lease may happen in the 2nd or 3rd years. Since the first Revenue Share / Minimum Guarantee is payable after 4.5 years from the Letter of Award, so do we need to share the revenues collected from investors?	“Gross Annual Revenue” for any year shall mean the total amount of revenue derived by the Concessionaire from the operation of the said Hotel, Convention Centre and all other facilities except on the revenues accruing from the residential component of the project, as certified by the Statutory Auditors of the Concessionaire in that year, including income from room occupancy charges, sale of food, beverages, liquor and smokes, outdoor catering, commercial or other spaces on account of rent and / or license fee from the sub-lessees and licensees of every descriptions and kind, and the excess of recovery over direct expenditure incurred in respect of any other service provided by the Concessionaire from an outside party(ies) at a consideration BUT shall exclude and be arrived at after deducting the following: a) All statutory applicable taxes such as luxury tax, sales tax, entertainment tax, expenditure tax and the like by whatever name called now or in future which the Concessionaire has agreed to pay or is bound to pay; b) Profit on sale of assets / investments and other assets of capital nature c) Refundable deposits. However, interest from the refundable deposits shall be calculated at the rate of SBI fixed deposit interest rate prevalent during the year and
		e) If the Service Apartments are offered on long lease basis to investors, still there will be revenues from these Service Apartments after they are built and during the concession period. The Investor through Operator/Brands lease out the Service Apartment for Short term to the users. For the investors who have invested in individual apartment on long lease basis, the revenue is generated from short lease from end users through Operators/Brands	

			<p>same shall form part of Gross Revenue</p> <p>d) The income earned by the shopkeepers and other licensees and sub-lessees by use of the commercial space or any other specific facility of the Project; and</p> <p>e) Service charges, if any, other amounts collected for and on behalf of the employees and paid / payable to them; as also recoveries made from the employees towards cost of meals provided to them.</p> <p>The “Revenue Share” shall mean the absolute amount arrived at upon applying the Revenue Share Percentage to the “Gross Annual Revenues” from the Project, except on the revenues accruing from the residential component of the project.</p> <p>The revenue share is payable from the start of the concession period.</p>
2.	Long Lease of Hotel FSI	<p>Can we Long Lease FSI to other Hotel operators / developers since the Hospitality district need to have multiple operators and brands in different category to cater to all types of customers. The live example is GMR’s Aero City in New Delhi</p> <p>As per the document, revenue from Long Lease of FSI, if done before 4.5 years need not be shared. The revenues from Hotel operations will only be shared with GMADA. On your clarification and confirmation, the bid variables will change dramatically</p>	<p>The RFP doesn’t restrict any leases that are standard business or market practice, subject to the outer limit of the Concession Period.</p> <p>For revenue share, refer the previous clarification.</p>
3.	FSI Utilization	<p>Do we need to build the complete available FSI during the concession period of 75 years or just the Minimum Component</p>	<p>Convention Centre with plenary hall of minimum 2,500 pax capacity and 4-star Hotel of minimum 150 keys have to be compulsorily built by the Concessionaire within four years from the Date of Letter of Award</p> <p>The Concessionaire is free to utilize the remaining FSI at his discretion, subject to prevailing GMADA norms.</p>