

RESPONSE TO PRE-BID QUERIES

for “Development of Convention Centres at Mohali and Amritsar, and Exhibition Centre at Ludhiana” on PPP Model

September 2020

A pre-bid conference was held for the Development of various projects in Punjab on PPP – DBFOT basis (referred to as “Projects” or individually as “Project”):

1. Mohali Commercial Complex cum Convention Centre (“Mohali Project”)
2. Amritsar Commercial Complex cum Convention Centre (Amritsar Project”)
3. Ludhiana Commercial Complex cum Exhibition Centre (“Ludhiana Project”)

The pre-bid conference was held at 15:30 hrs on August 19th, 2020 under the chairmanship of MD, PIDB, Sector 34, Chandigarh. The following response is provided to the queries received from various industry representatives and potential bidders during the pre-bid meeting and via email pre/post the meeting.

1. Responses to Queries received via email post the pre-bid meeting

| SN | Queries / Comments | Suggested Response | Suggested Modifications / Changes in Bid Document |
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| 1 | Participant 1 – Queries raised in reference to Amritsar Commercial Complex cum Convention Centre Project | | |
| 1.1 | Kindly clarify the height of the building upto how tall the structure will be permitted according to the local authorities ADA. | ADA doesn't impose any height restriction for commercial buildings. However, all commercial projects have to take a NOC from AAI. | No Change. |
| 1.2 | Give us exact dimensions for the site (Front, length and height) | Site dimensions are approximately 1181 ft * 297 ft. Updated map is provided in Corrigendum 1. | No Change. |
| 1.3 | Payment period should be 20 years rather than 10 years. | Not accepted. | No Change. |
| 1.4 | Due to COVID-19, annual lease rent and all other instalments should start after 2 years. | Not accepted. | No Change. |
| 1.5 | Annual lease amount of 50 lacs is on the higher side, kindly consider this. | Not Accepted. | No Change. |

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| 1.6 | Construction performance security should be decreased to 4 cr. | Construction Performance Security has been revised to INR 7.5 Cr. Operations Performance Security has been revised to INR 3.75 Cr. Please refer Corrigendum 1 for details. | Please refer to Corrigendum-1 for Amritsar Project. Similar changes would apply to Mohali Convention Centre also. |
| 2 | Participant 2 – Queries raised in reference to Amritsar Commercial Complex cum Convention Centre Project | | |
| 2.1 | ADA should confirm the height restriction applicable at this plot. We believe that there is an AAI related legal issue. | Please refer response to Point 1.1 above. | No Change |
| 2.2 | Royalty (quoted by the developer) should be allowed to be paid over 15 years. | Not accepted. | No Change. |
| 2.3 | Lease premium for 2 years should be waived off due to the impact of COVID-19 | Not accepted. | No Change. |
| 2.4 | Construction performance security should be decreased to 4-5 cr. | Please refer response to Point 1.6 above. | - |
| 2.5 | Please allow an option where the lease premium can be paid in advance (at the NPV value) | Accepted. Please refer to Corrigendum-1 for provisions related to advance payment of lease rental. | Please refer to Corrigendum-1 for Amritsar Project. Same changes would apply to Mohali Convention Centre also. |
| 2.6 | Please decrease the value of Construction Performance Security (Pre-COD) to INR 7.5 Cr and Post COD to INR 3.75 Cr | Please refer response to Point 1.6 above | - |
| 2.7 | Instalments should be exempted for first two years | Not accepted. | No Change |
| 3 | Participant 3 – Queries raised in reference to Ludhiana Commercial Complex cum Exhibition Centre Project | | |
| 3.1 | Net Worth of the bidder (along with Consortium of Maximum-3) shall be considered INR 10.00 Crore at the close of the preceding financial year. | The Clause has been revised. For the purpose of Financial Capacity, the Bidder shall need to satisfy either of the following: 1. Net Worth: The Bidder should have a minimum Net Worth of INR 31.25 Crores on 31st March 2020. OR 2. Turnover: The Bidder should have had an average | Please refer to Corrigendum-1 for Ludhiana Project. Similar change has been made for other projects also. |

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| | | <p>annual Turnover of minimum INR 37.5 Crore across the last three financial years i.e. FY19-20, FY18-19 and FY17-18.</p> <p>Please refer to Corrigendum 1 for details.</p> | |
| 3.2 | The aggregate turnover of the bidder should be considered INR 50 Crore for last seven years. | Please refer to response to Point 3.1 above. | Please refer to Corrigendum-1 for Ludhiana Project. Similar change has been made for other projects also. |
| 3.3 | As per provision of housing sector policy for PAPRA projects, hypothecation of property/plots may be allowed in lieu of Bank guarantee, since the purchase of bank guarantee is a source of extra and undue expenses on projects. 120% of property value can be considered in lieu of Bank Guarantee. | Not Accepted. | No Change. |
| 3.4 | Lead member of bid shall be allowed to remove the co-member as well as to purchase his sharing or change the member of equal capacity for smooth working during the construction/lease period. | Not Accepted. Clause 5.4 of the “Draft Concession Agreement” (Section 2) is clear and self-explanatory. | No change. |
| 3.5 | Fixed lease rent shall be commenced from the date of completion of minimum development obligations within a period of 42 months. | Not Accepted. | No Change. |
| 3.6 | Escalation on fixed lease rent shall be charged after every three year in place of annually. The provisions of escrow account should be waived off since it creates hurdle in making timely payments and time bound construction unnecessarily. | Not Accepted. | No Change. |
| 3.7 | Please remove the category of Hotel because Ludhiana is not a very big city. There is no more difference between 3 & 4 Star hotel. Bidder may be allowed to build 50 rooms of excellent class, since other commercial properties, restaurant and food | Not Accepted. | No Change. |

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| | courts in project will be planned. When category is defined, number of formalities will increase unnecessarily. The specification of rooms may be fixed. | | |
| 3.8 | Consent from PPCB/Environmental clearance is required or as to who will obtain the same, if required? | Obtaining the Building Plan approval and the Consent from PPCB / Environmental clearance would be the responsibility of the Concessionaire. | - |
| 3.9 | If any other NOC from other departments shall be required to be procured? | All statutory approvals related to construction and O&M need to be obtained by the Concessionaire. Concessionaire can also approach Invest Punjab which is the single window clearance for projects in the state. | - |
| 3.10 | If Multiplex and other entertainment zone/Kids zone will be opened, any other permission is required for this purpose, the same shall have to be obtained? | Please refer response to Point 3.9 above. The permitted activities are defined in Schedule 3.3 of the Draft Concession Agreement. | - |
| 4 | Participant 4 – Queries raised in reference to Ludhiana Commercial Complex cum Exhibition Centre Project | | |
| 4.1 | GLADA should waive of the building plan approval and scrutiny fee. | Not Accepted. | No Change. |
| 4.2 | The building plan approval should be time-bound. Please count the construction period from date of grant of building plan approval. Also please appoint a Nodal officer for this project at GLADA - for single window clearance. | GLADA would appoint a Nodal Officer and GLADA would assist in receiving necessary approvals. Concessionaire can also approach Invest Punjab which is the single window clearance for projects in the state. | No Change. |
| 4.3 | Please confirm that the developer doesn't have to pay any stamp duty on the registration of the concession agreement with the Govt. | As the agreement is b/w the Department of Housing, Govt. of Punjab and the concessionaire, the concessionaire is exempt from paying stamp duty at the time of execution of this concession agreement and lease deed, under Section 3 of the Indian Stamp Act, 1899. | - |
| 4.4 | ACF for 1st year should be waived off due to the impact of COVID-19 | Not Accepted. | No Change |
| 4.5 | Lease rent should start from COD. | Not accepted. | No Change. |
| 4.6 | Construction performance security should be decreased to 4-5 | Construction Performance Security has been revised to INR | Please refer Corrigendum-1. |

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| | cr. | 6.25 Cr. Operations Performance Security has been revised to INR 3.125 Cr. Please refer Corrigendum 1 for details. | |
| 5 | Participant 5 – Queries raised in reference to Mohali Commercial Complex cum Convention Centre Project | | |
| 5.1 | Given the size and scale of this project as well as this being a new micro-market and the fact that we would have to on-board technical, financial and legal consultants, the current bid timelines are unrealistic. We would recommend an extension of at least 30 days. | Bid Due Date has been extended to 9 th Oct 2020. Please refer to Corrigendum 1 for details. | Refer to Corrigendum-1 for Mohali Project. Similar change has been made in all Projects. |
| 5.2 | We note that procurement of approvals is the Concessionaire’s responsibility. We strongly suggest that key approvals such as environment clearance, forest permission as well as permissions from various government authorities should be the responsibility of GMADA. Alternatively, GMADA should provide a single window clearance for all approvals in relation to the project within an expressly stipulated timeframe. Given that delay in approvals is a key reason for delay in projects, we strongly recommend that any delays in grant of approvals should result in extension of construction time. | GMADA would appoint a Nodal Officer and GMADA would assist in receiving necessary approvals. Concessionaire can also approach Invest Punjab which is the single window clearance for projects in the state. | - |
| 5.3 | Clause 4.2 (A) of Concession Agreement We note this clause imposes an absolute obligation on the concessionaire to obtain all approvals/permits within 180 days. This clause should provide for an extension in the event approvals are delayed by government authorities (other than | Not Accepted. | No Change. |

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| | GMADA) for no fault attributable to concessionaire. | | |
| 5.4 | While the concessionaire is liable to pay GMADA damages calculated at the rate of 1% of the Performance Security for each week’s delay until the fulfilment of such Conditions Precedent, subject to a maximum delay of 90 (ninety) days, no such damages are payable by GAMDA. A reciprocal provision should be included to this effect. | Not Accepted. | No Change. |
| 5.5 | Clause 4.5.1 and 4.5.2 of the Concession Agreement: These two clauses are identical. One of these clauses should perhaps specify the consequence of termination for delay by GMADA, as that provision is currently not there. | The Clause has been revised. Please refer to Corrigendum-1. | Refer to Corrigendum-1 of Mohali Project. Similar change has been made in all Projects. |
| 5.6 | As per clause 5.4.1 of the Concession Agreement, the Concessionaire shall not undertake or permit any Change in Ownership in the Concessionaire, except with prior written approval of the Authority. We strongly recommend that no such approval should be required post COD. In addition, no such approval should be required at any time in case the change in ownership is pursuant to an internal restructuring exercise which does not result in any change in control of the concessionaire. | Not accepted. Standard clause that exists in all DCAs of Central govt. In all cases except national security, authority grants the said approval expeditiously. | No Change. |
| 5.7 | As per clause 5.4.2, we note that a change in shareholding in excess of 25% constitutes change in ownership, consequently triggering the Clause 5.4.1 requiring GMADA approval. We strongly recommend that the concessionaire should be allowed to freely permit a change in its shareholding of up to 49% without GMADA approval. This is critical for onboarding any investor to meet the funding requirements for the project. | Not Accepted. Standard clause that exists in all DCAs of Central govt. In all cases except national security, authority grants the said approval expeditiously. | No Change. |
| 5.8 | We note there is no representation and warranty from GMADA | The Article 7.2 of DCA: Representation and Warranties of | Refer to Corrigendum-1 of |

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| | with respect to ownership of the project land. Given the size and scale of the investment, it is important that a representation and warranty w.r.t. the title to the land is provided by GMADA. | Authority is suitably modified. Please refer to Corrigendum-1. | Mohali Project. Similar change has been made in all Projects. |
| 5.9 | Clause 14.5.1 - Restriction on sub-leasing of project facilities This restriction will affect the monetization and hence hamper the viability of the project. We recommend that this condition should be removed and sub leasing should not be linked to payment of annuity. | Not Accepted. Proportionate sub-leasing rights are being granted in the Agreement. | No Change. |
| 5.10 | Clause 16.1 (d) – O&M Obligations of the Concessionaire We note that the concessionaire is obliged to take approval of the Authority for sub lease format and also in case of any deviation from approval format again an approval is required. We recommend this condition should be removed as leases especially in case of retail, entertainment, commercial spaces, etc. have varied modalities. Due to this condition there can be delay in execution of sub leases and hence will impact revenues. | Please read the clause in conjunction to Article 5.3 of the Draft Concession Agreement. Deemed approval is being provided if the Authority takes more than 30 days to approve. Please refer to Corrigendum-1 for details. | Refer to Corrigendum-1 of Mohali Project. Similar change has been made in all Projects. |
| 5.11 | The amount of performance security is different in Clause 9.1.1 and on Page No (8) of DCA Clause H (b) The same may be clarified and corrected. | Construction Performance Security has been revised to INR 12.5 Cr. Operations Performance Security has been revised to INR 6.25 Cr. Please refer to Corrigendum-1. | Refer to Corrigendum-1 of Mohali Project. Similar change has been made in all Projects. |
| 5.12 | The technical capacity currently includes two eligibilities criteria's of Completion and development/ management of Hotels and Convention center/ banquet halls. We suggest including development, operations & management | Revised. Additional criteria for eligible projects has been added to Technical Capacity 1A (O&M Experience). Please refer to Corrigendum-1 for details. | Refer to Corrigendum-1 of Mohali Project. Similar change has been made in all Projects. |

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| | at least 1 Million sqft of Grade A- Mixed use development retail and office space in the Technical capacity 1 A clause. | | |
| 5.13 | The Technical capacity in the instructions to bidders as per 3.2.4 (b) currently includes projects developed under PPP/ RPC/ Turnkey construction whereas in the same document in Format G1, it says PPP/ EPC/ Own Development. Please clarify that Own Developments shall be considered for Eligibility Criteria. | Own developments of a developer are allowed - as they would be classified as EPC projects where the developer has paid for construction to an EPC contractor. | No Change. |
| 5.14 | Page 22, Clause (b) of ITB Which statutory auditor will certify the technical eligibility- Statutory Auditor of Associate or of Bidder? In case of “G1 Bid Response Sheet 1- Format Technical Capacity” is being submitted of an “Associate”. | In case the Bidder uses credentials of its Associate, it needs to submit the following: <ul style="list-style-type: none"> • Bid Response Sheet (G.1 and/or G.3 or G.4 of Addendum 1.1, as applicable) should be certified by the Statutory Auditor of the Associate. • Additionally, the Bidder needs to submit a certificate (G.5 of Addendum 1.1) from its own Statutory Auditor certifying that the entity is an Associate, as per Clause 3.2.4 of ITB. | No Change. |
| 5.15 | G.1 Bid Response Sheet 1- Format for Technical Capacity Can the tables and cells provided in the format which are Not Applicable for submission regarding Technical Capacity be “Deleted” or have to be left blank? | Please mark “NA” in columns / tables which are not relevant. | No Change. |
| 5.16 | Is there a specific format for auditor’s certificate for certifying Associate relation with Bidder? If so, please provide the same. | The Format G.5 is provided as part of Addendum 1.1. | Refer to Corrigendum-1 of Mohali Project. Similar change has been made in all Projects. |
| 5.17 | Clarity required on G3 format. In case only Net Worth of FY 18-19 is being furnished then can the format be edited as the Format currently reflects Net Worth & Turnover both. | Please mark “NA” on Turnover / Net Worth, as applicable. | No Change. |
| 5.18 | Clause 2.4.1 (a) of ITB – Upfront Premium | Upfront Premium is non-refundable. | No Change. |

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| | When will the Upfront Premium be refunded or shall it be adjusted and if, so against which payment it shall be adjusted? | | |
| 5.19 | What will be the stamp duty applicable and what will be the status given to the project – Infrastructure or Real Estate? | <p>Related to Stamp Duty, please refer to response to Point 4.3 above.</p> <p>Related to project classification, please refer to Harmonized Master List of Infrastructure Sub-sectors as issued by the Department of Economic Affairs, as published from time to time.</p> | No Change. |
| 5.20 | <p>A) For how much time the bidding will happen and what will be the procedural details, system & IT requirements so that necessary preparations and configurations may be done before hand</p> <p>B) Is there a single Point of Contact for any queries to IT & System Requirements</p> | <p>Please refer to detailed guidance note as per Corrigendum-1.</p> <p>Transaction Advisor (TA), Feedback Infra, can be reached on +91-98119 95073/pranav.shah@feedbackinfra.com for any queries regarding the project, bid process and any other technical or non-technical query including IT support. TA would redirect you to the relevant person in the Authority’s office in case TA is unable to resolve your query.</p> | No Change. |
| 6 | Other Query | | |
| 6.1 | - | <p>The selected Concessionaire shall have to provide 7-days rent free space, every year, to Government of Punjab’s agencies for hosting various government events and functions. The number of event days shall not be transferable to next year.</p> <p>The line department for managing the bookings shall be ADA / GMADA / GLADA, as applicable.</p> <p>The convention centre / events space shall be provided rent free. However, other services including accommodation and F&B shall be chargeable and payable as per negotiated</p> | Refer to Corrigendum-1. |

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| | | <p>rates.</p> <p>Further, the concerned agency shall be required to book the space at least 3-months in advance of the event date.</p> <p>However, if the Concessionaire already has a conflicting booking, the Concessionaire would retain the right to refuse the booking and suggest alternate dates.</p> | |