

Grant of Perpetual Lease for Developing and Operating an International Convention & Exhibition Centre, Hotels & Allied Commercial facilities at Dwarka, Delhi, India

CLARIFICATIONS TO QUERIES RECEIVED BY DDA

<u>S.No</u>	<u>Query</u>	<u>Clarifications by DDA</u>
1	<p>In case one of the SPC member want to contribute equity by way of Preference Shares only and the preference share capital exceeds 26% of entire capital of the Company (Equity + Preference) whether this SPC member has to fulfill the eligibility criteria.</p> <p>Please clarify if three members hold equity below 26% and only one member holds more than 26% equity whether the three members need to comply with the eligibility criteria.</p>	<p>The requirement specified in the Rfp is only for equity holding and not of preferential capital.</p> <p>See the revised tender documents (RfP, May 2007)</p>
2	<p>Is it necessary to register the company under Companies Act, 1956 in India, before qualifying for the bid or is it possible to give 3 months time to register the company after we qualify for the bid.</p> <p>However as is the practice in almost all the PPP projects in India, SPC formulation as per the MOU may be specified pre signing of the Lease Agreement.</p>	<p>See the revised tender documents (RfP, May 2007)</p>
3	<p>Is the SPC required to be registered under Company Act 1956? Is it also necessary to register the charter documents of the SPC? Whether duly notarized charter documents will be sufficient?</p>	<p>See Response to Query No. 2</p>
3	<p>Eligible Bidders (ITB - Clause 2)</p> <p>The document envisages setting up a SPC, by the Constituent Members on the date of submission of the Proposal (if the Proposal is not submitted by an ongoing Business Entity).</p> <p>Normally, an SPC is formed only after the Applicant becomes a successful bidder, and for the Proposal, an MOU between the Constituent Members is sufficient.</p> <p>We therefore request for modification of the requirement of SPC that the Constituent Members should execute an MOU confirming that the SPC would be formed after succeeding in the bid.</p>	<p>See Response to Query No. 2</p>

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4	<p>Eligible Bidders: as per current provision either an on-going company with requisite qualification or a Special Purpose Company can be the eligible bidders;</p> <p>Concept of consortium is not allowed</p> <p>Consortium route with a MOU amongst the participant entities provide larger flexibility;</p> <p>The consortium route with a binding MOU is also being adopted by all most all the Infrastructure Projects.</p> <p>Example: 100 storey building in Hyderabad (APIIC), International Convention Centre at Bangalore (BMRDA), Bidadi Integrated Township, Mumbai Metro (MMRDA), Delhi Airport Link Express Metro Projects (DDA) etc.</p>	See Response to Query .No. 2
5	<p>Article 3.2 e. SPC will be registered only after the award of contract and hence Board Resolution cannot be furnished at RPQ, RFP in connection with the authorized signatory. Instead the MOU between the two consortium members will state the name and the designation of the authority signatory.</p>	See Response to Query No. 2
6	<p>Can a bidding company form an SPV after winning the project and execute the project?</p>	See Response to Query .No. 2
7	<p>Evaluation of experience in core sector project (ITB - Clause 17.1.1 and 17.1.2)</p> <p>While evaluating the project development experience of the Applicant, the document allows the core sector project experience of the Applicant.</p> <p>The list of core sector projects as given in the document does not include power sector as a core sector project.</p> <p>Since power projects are one of the prominent core sector projects, it is requested that power projects be included as one of the core sector projects for the purpose of evaluating project development experience.</p>	The list of core sector projects as given in the document shall include power / energy as a core sector project.
8	<p>Core Sector Projects definition</p> <p>Power being a critical infrastructure facility should be included ;</p> <p>We have also raised this issue through a separate letter to the Project Consultants and DDA</p>	See Response to Query No. 7.
9	<p>Evaluation of Financial Capability (ITB - Clause 17.1.3)</p> <p>The document envisages that the Applicant should satisfy the Financial Capabilities based on the FY 2004, 2005 and 2006.</p> <p>As the accounts for the year 2006-07 would also be available by the time the Proposal is submitted, it is requested that the Financial Capability would be</p>	No change in the conditions of the Rfp in this regard.

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	considered taking in to account the figures for the FY 2005, 2006 and 2007 instead of 2004, 2005 and 2006.	
10	<p>All the Constituent Members who hold more than 26% shareholding in the equity capital of the SPC should satisfy individually, the financial criteria as specified in Clause 17.1.3.</p> <p>1. Does the Constituent Member who meets the Project Development Experience is also required to fulfill the Financial criteria in addition to his Project Development Experience?</p> <p>If yes, we strongly submit to delete this provision as fulfillment of financial criteria by the technical member is an additional and not-so-necessary requirement. The entity who is being evaluated for the financial criteria is anyway required to hold the threshold investment (of 26%).</p>	Consortium Members with shareholding equal to 26%, if evaluated for project development experience need not satisfy the financial evaluation criteria. Only those Consortium Members with more than 26% shareholding need to satisfy the financial evaluation criteria.
11	Article 17.1.3 (b)- Should be applicable for the technical consortium member only who is technically evaluated	No change in the Terms of the RfP.
12	Article 17.2. (iii)- Constituent member whose technical experience will be evaluated, if it is the part of the same group company should hold the equity of the 26% holding together with the other consortium members who are the part of the same group company not individually.	No change in the Terms of the RfP.
13	Appendix 9 & 17.2 c (iii) are in contradiction. One mentions 26% for the Consortium member for technical qualification while in the place no requirement of shareholding in the SPC is mentioned	Only one of the Consortium members whose equity holding is equal to or more than 26% is to be evaluated for the Project Development Experience.
14	<p>Draft Lease Deed</p> <p>The draft lease deed specifies that initial lease rent payable is Rs. 5 upto..... and thereafter, 2.5% of the Lease Premium.</p> <p>As the proposed project is on perpetual lease basis, the lease rent @ 2.50% of the Lease Premium is on a very high side. The initial lease rent of Rs. 5 may be continued on a perpetual basis instead of enhancing it to a much larger amount after a certain period.</p>	No change in the conditions of the RfP in this regard.
15	Ground Rent The rent hereby reserved shall be enhanced from the first day of January Two thousand and _____ thereafter at the end of each successive period _____ of _____ thirty _____ years, _____ providedas may be appointed by	

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	<p>the Lessor.</p> <ol style="list-style-type: none"> 1. Plz provide clarity on the enhancement of rent at the end of each successive period of 30 year. 2. The escalation rate or the enhanced amount of rent is to be determined by DDA at each successive 30 years without any consultation with the developer/ operator; this is unilateral thus not justified. 3. Request to determine the escalation rate upfront or at least provide flexibility to enhance with mutually agreed terms and conditions between the Developer & DDA 	<p>See Condition V of the Lease Deed</p> <p>No change in the conditions of the Rfp in this regard.</p> <p>No change in the conditions of the Rfp in this regard.</p>
16	Pls. clarify from which date 2.5% of the Ground Rent shall be payable?	Rs 5 is payable in advance for the first five year period. Thereafter 2.5% of the Lease Premium is payable from the sixth year of the date of Allotment Letter and Payable in two installments yearly on 15 th January & 15 th July.
17	Please clarify the rent enhancement basis/methodology as per page 13, point V of draft lease deed.	See Response to Query No. 15.
18	The draft lease deed, Page 4 mentions about yearly rent payable in advance of Rs. 5 till some year and thereafter two and a half percent of lease premium. Please clarify the schedule for payment of two and half percent of lease premium.	See Response to Query No. 16
19	<p>The lessee agrees that in the event of the shareholders intending to give up its/their share in the Leasing Company.....permitted to do only after 20 years from COD.</p> <ol style="list-style-type: none"> 1. Lock-in restriction of 20 years is very high and stringent. 2. Infrastructure projects of similar nature on BOOT/ BOT basis provide larger flexibility 3. With no shareholding by any Government Agency, more flexibility may be granted after Project Stabilization Period [For this project a project stabilization period of COD+ 2 years may be adequate] <p>It also provides in the RFP that during the 20 year lock-in-period, change in shareholding pattern may be permitted by the Lessor in its absolute discretion. It is desirable that the lock-in-period is limited until the COD + 2 years is</p>	See the revised tender documents (RfP, May 2007)

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	<p>achieved.</p> <p>Furthermore, the Lessee should have the flexibility to transfer its shareholding to an Affiliate</p>	
20	<p>Article 3.2: If the consortium members are part of the same group company, they should be allowed to amend the share holding pattern without the previous approval of DDA as long as the shareholding of the associates together with is not less than 26% of the SPC.</p>	See the revised tender documents (RfP, May 2007)
21	<p>Bid Security EMD (ITB - Clause 11, 11A)</p> <p>It is envisaged that the Bid Security and EMD should be paid in the form of demand draft. It is requested that the Bid security and EMD be permitted in the form of Bank Guarantee instead of Demand Draft considering huge outflow of cash involved.</p>	No change in Rfp conditions.
22	<p>As the bidder has already provided Rs. 10 crores security at time of bid submission, the submission of 'Rs. 215 crores' within seven days of being 'technically qualified' becomes redundant. The DDA should ask for this huge money after opening of financial bids only from bidders H1 & H2 with a specified time of at least 30 days. Also, this amount should be returned to unsuccessful bidder along with interest as per prevailing bank rates.</p>	<p>Please see amendment has been issued on April 19, 2007.</p> <p>No interest shall be payable by DDA on the EMD and Bid Security.</p>
23	<p>Whether a bid security of Rs 10 crores and EMD of Rs 215 crores can be in the form of bank guarantees instead of DD?</p>	See Response to Query No. 22
24	<p>As the successful bidder will be putting in huge money into the land, it becomes imperative for him to successfully execute the project. So the performance security equal to 5% of lease premium becomes redundant and may be done away</p>	No change in Rfp conditions.
25	<p>Vol II Draft Lease Deed - Perpetual lease Pg 8 - Lease deed is silent on the computation of the unearned income. The clause should clearly state the income arrived at after indexing the purchase value of the said property vis a vis the sale value of the land. As regards the compensation payable for well developed structures replacement cost of the same should be taken into account</p>	Unearned Income is calculated on land value and is charged as per the DDA Policy.

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	while working out the return cost of the same vis a vis sale consideration. In fact, the unearned income should be only applicable on the land component.	
26	Vol II Draft Lease Deed 12.2 pg 45- In the event of the termination of the contract the lease deed is silent on the mode of calculation of the amount payable and specific period of a refund to the lessee. Please Clarify.	There is no compensation / refund to the Lessee.
27	Please specify the stamp duty applicable.	This information is available in the Public Domain.
28	Please specify the conditions for perpetual lease basis as per page 26, clause 1.3.3 of RFP.	Conditions are provided in the RfP.
29	The development time frame for 24 months has been provided for core facilities from the date of execution of lease deed. However the various approvals including environmental clearance are not under the control of the developer. So the development time frame should start only after all approvals including environmental clearance have been obtained.	Revised timeframe is provided in the revised RfP (RfP, May 2007).
30	Looking at the huge volume of work of international standard to be taken up at the site, the total period of 32 months (24 months for Phase I & 8 more months for Phase II is very short. Will DDA consider this issue and increase the period to 48 months or so?	See Response to Query No. 29
31	The liquidated damages as per page 36, point 4.4 are applicable in a contractor agreement and not for the developer who has put in huge money into the project. This needs to be reviewed.	No change in the conditions of the RfP.
32	The time period for the project may be kindly counted from the date of issue of Commencement Certificate and not the date of signing lease deed	No change in the conditions of the RfP.
33	The time frame of 60 days for submitting the project development plan from the date of issue of allotment letter is too less and should be increased to at least 120 days.	No change in the conditions of the RfP.
34	Please clarify whether lessee can sell/transfer additional facilities, which are not part of core project, after obtaining commissioning certificate.	Yes, in accordance with the provisions of the Lease Deed
35	The condition pertaining to claiming and recovering of 50% of unearned increase is unjustified as lessor has already received the premium for the land and hence should be removed. However if not, the unearned increase calculation should account for all the costs and expenses of incurred by	See Response to Query No. 25

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	developer for development of the project. The market price could be determined by mutually agreed third party consultants.	
36	As the plot is being given on perpetual lease, the same may be provided on freehold basis. Please consider.	Conditions relating to conversion to freehold are provided in the Revised bid documents (RfP - May 2007)
37	What are the conversion charges payable for the Freehold conversion – is it discretionary or is it fixed	This information is available in the public domain
38	Would land use change be permitted after 20 years?	No. Land use changes are not permitted.
39	Can the lease premium be paid in installments?	They can be paid in installments but full and final amount shall be payable within 90 days of issue of the Allotment Letter.
40	<p>The capacity of 12000 delegates (single largest) for convention centre seems to be on the higher size looking to the existing market conditions and will be difficult to sustain commercially. As per the bid document , the following points support the above :</p> <ul style="list-style-type: none"> ○ As per ICCA data the average number of delegates at International conventions and conferences was 714 in 2003. ○ Large conventions (500 and above) comprise a small proportion of the total number of events. ○ Less than 5 % of the conventions have a delegate size of more than 3000. ○ 80% conventions had a delegate strength of 300-500 in Canada (2002) ○ 77% conventions had a delegate strength of under 500 in UK (2001) ○ Ashoka Hotel holds 70 conventions every year of delegate strength between 500-2000 ○ Suntec Singapore has a single largest seating capacity of 5000 delegates. ○ Similarly the convention centres at Sydney, Kuala Lumpur, Bangkok and Dubai has single largest seating capacity ranging from 3000-5000 delegates only. <p>In view of the above to achieve commercially sustainable convention centre the configuration needs to be re looked into or development can be permitted in phased manner.</p>	No change in the RfP Conditions in this regard.

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41	The statistics of utilization of various convention centers indicated in the bid document are based on number of days of occupation. Can the actual utilization % based on area be made available to assess the accurate viability?	All information available has been provided to the Bidders in the Project Information Memorandum (Volume III of the RfP).
42	C & EC project specification suggests pillar less structure for seating of 12000 delegates, which is going to be structurally very expensive as well as unsafe? Flexibility should be given to have at least one row of columns without affecting the functionality.	No change in the RfP Conditions in this regard.
43	We collected the RFP document from DDA by paying Rs.50,000/- DD. Whether we have to register as an applicant separately (Please refer page No.11, point No.9.4)	No since this is not an RfP requirement.
44	What is the foreign exchange rate for UAE Dirham to Indian Rupees, according to Reserve Bank rate?	Information is available in the public domain (RBI website)
45	Whether the Viability Gap funding can be provided for this project in line with similar convention centre projects in other cities?	Viability Gap Funding shall not be applicable for this Project.
46	Vol III page no 11 - "The government is facilitating the construction of the convention centre by the private sector through the viability gap funding of 20% of the project cost." the Modus operandi of the funds needs clarification. Please Clarify whether gap funding will be available for entire project including Hotel and Commercial which are there to service the Convention Center.	See Response to Query No.45
47	Is the basement beyond the plinth level allowed with a plinth height of 1.2 mt throughout the plot instead of keeping it flush with ground level beyond the building line	Basement beyond the plinth level is not allowed with a plinth height of 1.2 mt. the basement beyond the ground coverage must be flushed with the adjoining ground level.
48	What is the minimum setback for the external face of the basement from the plot boundary?	The minimum setbacks are as per the Building Byelaws.
49	Whether the footprint of multilevel car parking structure is counted towards the 30% ground coverage?	Yes.
50	Whether 25% commercial area permitted and a multilevel car parking can be relocated in the adjoining structure/Whether the principle user in the upper floors can be relocated in the basement and whether it will be counted in FSI	Only 20% commercial area is permitted. The basement below the commercial area and parking are free of FAR provided the same are used as per the MPD/lease conditions/controlled conditions
51	To what extent can the cantilever projections in the building such as balcony etc be allowed in the open space beyond the building line and upto what extent is the area of these projections allowed free of FSI?	The maximum width of such projection shall not be more than 750 mm and are allowed free of FAR within the plot boundary
52	What is the expected height (minimum and maximum) that may be available for Sector 24 where the plot is situated?	The maximum height shall be as permitted by the AAI.

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53	In the place of basements, would DDA be willing to consider a multi-storied car park on ground.	Minimum two basements are to be provided for car parking. Multi-storied car parks are permitted however they shall be counted towards FAR and ground coverage.
54	<p>Adjoining the Demised Plot is a site of 4 hectares for a proposed Hotel development.</p> <p>1. Possible over supply of premium hotel in the vicinity especially when the proposed ICC will have hotel facilities, with at least 800 rooms inventory & of 5 star category of at least 300 room inventory aggregating built-up area of 60,000 sq.mt.</p> <p>2. This proposed 4 hectare hotel facilities outside the ICC may be clubbed with the existing proposal of ICC, Dwarka.</p> <p>It's rational to club the facilities as it would provide better development and management of the facilities; the proposed plan would also make the project more attractive.</p>	No change in the conditions of the Rfp in this regard.
55	<p>The maximum built-up area is 183,000 sqm with an effective FAR of 1.3. Out of this the hotel is 60,000 sqm and commercial area is 36,600 sqm. For such a capital intensive project, more FAR may be allowed as:</p> <p>More FAR for Hotel and allied services will result in more hotel room inventory for commonwealth games 2010.</p> <p>As the gestation period for the project will be long, more hotel and commercial area will increase viability of the project</p>	No change in the tender conditions in this regard.
56	<p>A helipad is to be provided within the Demised Plot subject to Clearances from the Airport Authority of India (Department of Civil Aviation) and other security clearances. The Helipad shall be provided as part of the overall 14 hectare allotment and no additional land shall be provided for the same.</p> <ol style="list-style-type: none"> 1. Is the Helipad mandatory? 2. We suggest that DDA should take primary responsibility for taking the Clearances from the Airport Authority of India (Department of Civil Aviation) and other security clearances. 3. Whether Built-up area of Helipad will be included in the total allowed built-up area? If yes, under which category? 	<ol style="list-style-type: none"> 1. It is mandatory. Necessary approvals from the DGCA will have to be taken. 2. It would be the Developers responsibility for taking the required clearances. 3. Built Up area if any on account of the Helipad may be considered towards the C&EC Complex.

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57	<p>Commercial Space: (which shall not exceed 20% of the max. permissible BUA i.e. 36,600 sq. mtrs?); Other facilities: (socio cultural & community facilities only);</p> <p>What are the various activities permitted in the commercial space? Please define complementary commercial facilities & stand alone commercial facilities to be provided as part of the C& EC and hotel complex.</p> <p>Please define Public & semi public spaces facilities? What are the facilities envisaged for the socio cultural requirements?</p>	Please see MPD 2021 & Section 1.10.10 of the RfP- Volume I;
58	<ul style="list-style-type: none"> • Parking for C&EC complex: Parking is 2 car space/100 sq.mtr of floor space. Car parking to be free of FSI, minimum two level basements to be provided for parking, no height restrictions - Please clarify? Is it 2 car spaces per 100 sq.mtr of carpet area? What are the norms for freight parking in the C&EC, please define? • Parking for Hotel complex.: No restrictions, min 2 levels of basement. - Please clarify? Whether it is 3 car spaces per 100 sqmtr of carpet area? It is very high for hotel. Can it be relaxed? • 3. Parking for Commercial complex: Can the parking requirements be relaxed for this development, due to the proximity to the metro station? - Please clarify? Whether it is 3 car spaces per 100 sq.mtr of carpet area? 	Parking standards are in accordance with the MPD 2021 and no relaxation shall be permitted.
59	<p>Max. ground coverage of 30% (plus 5% for the atrium) allowed for the entire plot on an integrated basis</p> <p>1. Max. foot print of built space is only 30% which is very less, require at least 50% ground coverage, as contingency if AAI does not give clearances for the buildings. Clearances & permissions required for the project</p> <p>2. There are a minimum of 18 clearances & permissions that are required for this project, keeping in mind the importance of this project, we would like the DDA to get all clearances for the mandatory facilities, as some of them need to be constructed immediately.</p>	<p>No relaxations in Ground Coverage shall be permissible.</p> <p>The list provided in Schedule 4 of Schedules to Appendix to the Lease Deed is not necessarily exhaustive. Developer is required to get all the Clearances for the Project.</p>

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60	Appendix 1 Article 1.4.2 - The bidder may utilize excess area in the C&EC towards public & semi public facilities. Please explain what is included in Public and semi public facilities	See response to Q. No 57
61	Appendix 1 Article 1.8.1- Car Parking for the convention & exhibition centre is free for FAR. Is it free for hotel & commercial centre also? This is not mentioned in the document. However, underground parking is free of FAR.	Only underground car parking is free from FAR for all the project facilities.
62	Appendix 1 1.9.12- Will the helipads form the part of the 20% in the green space or separate	Helipad may be provided within 20% Mandatory Green area. See also response to Q No 56.
63	Please specify the development year/period for golf course, premium housing and hotel as proposed in vicinity of convention centre site.	No timeframe has been fixed by DDA as of now.
64	Please specify the development year/period for proposed road and rail connectivity as per page 27, table 1 of RFP.	No timeframe has been fixed by DDA as of now.
65	Please clarify the 'Socio Cultural and Community facilities' permitted	See response to Q. No 57
66	Please Clarify on: <ul style="list-style-type: none"> Development of Police post, Fire Post as part of project (Page 33, 1.8.3 g(4,5); Will essential maintenance staff quarters upto 5% of FAR of PSP & Ancillary facility be part of FAR. (Page 33, 1.8.3 g(8) 	Fire Post to be provided as per the requirements of the Fire Department. Police Post may be housed within the Buildings Yes
67	Can the proposed Helipad be developed in the green development Area?	Yes.
68	The C&EC area has been indicated as 86,400 sq.mtrs. Immediately thereafter it says that C&EC area of at least 60,000 sq.mtrs. Needs to be developed. If one were to do that, what use can we put the balance area of 26,400 sq.mtrs. to (86,400-60,000). Do we have to completely utilise the FSI for the remaining facilities?	The balance area of 26,400 sqmtrs may be used for expansion of the Convention and Exhibition Centre or for Socio cultural and Community facilities to complement the C&EC Complex. No timeframe for this is specified. Yes.
69	The gross permitted built up area has been indicated at 1, 83, 300 sqmtrs. Do we construe this as the FSI? That being so then it works out to FSI of 1.30 on land area of 35 acres?	Built Up Area may be construed / read as Floor Area for the purpose of this project
70	In the event of planning constraints, if adequate open spaces (front, side, rear or	Infringement in setback or in mandatory open space is not condonable.

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	joint open spaces) cannot be provided as required in the stipulated regulations, can the deficiency be condoned by charging a premium?	
71	Has DDA done any soil investigations for the site that can be made available to the prospective bidders	No
72	If the bidder has purchased bid documents from DDA, then can the relevant appendices of part I & II be separated for filling up or can the photocopies of them can be used for submission? Is the entire original bid document required to be submitted along with Part – I 7 II submission?	The Formats need not be filled in but the information has to be presented strictly in accordance with the formats provided
73	Certain information is required to be on stamp paper with part I submission. Please specify the value of stamp paper?	The information may be provided on a stamp paper of Rs 100/-
74	Is the conceptual integrated design & layout of C&7EC/Hotel/Commercial complex required to be submitted along with the proposal?	Details required under Appendix 10 a are to be submitted only by the Successful Bidder within 60 days of issue of the Allotment Letter
75	Appendix 9 There seems to be error in footnote 16 & footnote 18.	See revised tender documents (RfP May, 2007)
76	Appendix 9 : Companies not having the bank account with the nationalized bank it will not be feasible to provide the information as well as issue any financial instrument as required in the tender documents .Instead same should be furnished from banks such as ICICI, HDFC,HSBC Bank, etc	This may be provided through any scheduled bank - a bank declared as a 'Scheduled Bank' under Section 2(e) of the Reserve Bank of India Act, 1934 and included in the Second Schedule thereto
77	Appendix 9: Please clarify the type of the agency required to issue the certificate pertaining to project details, categorization etc or confirm whether the certificate issued by the company is valid.	The agency that is required to issue the certificate is promoter of the project / government agency that has bid out the project.