

PUBLIC NOTICE DATED 07.02.2009
FOR
INVITATION FOR BIDS ON A TWO-BID SYSTEM
FOR INTEGRATED COMPLEX
NEAR MATHURA ROAD & OKHLA, NEW DELHI

In continuation to the public notice published in this newspaper on 30.12.2008 regarding the above subject and Pre-Bid Conference held on 16th January, 2009 at 11.30 at Indira Gandhi Kala Kendra, Sector-6 Noida, it is to inform that the Queries submitted by the participants/prospective Bidders were examined by NOIDA. Accordingly, necessary Responses/Amendments made in the bid documents have been sent vide letter dated 03.02.2009 to the enlisted applicants who have purchased the Bid Documents. If any of the prospective applicant has not received letter dated 03.02.2009, the Responses/Amendments can be downloaded from Authority's web-site www.noidaauthorityonline.com. All other terms & conditions of the Bid Documents shall remain unchanged.

Sd/-

(YASHPAL SINGH)
OFFICER ON SPECIAL DUTY
NOIDA

AMENDMENTS TO BID DOCUMENTS

S. No	Bidder Query	Response
Amendments		
1.	<p>Ref of clause 2.3 in DPA which was stated as, “The PDC is only entitled to transact or market developed units. Any dilution of institutional and recreational project component shall be permitted through dilution of the equity stake of the PDC in Sub SPV provided the Equity stake of the Authority remains the same as committed and offered by PDC in their Commercial Bid”</p> <p><i>The PDC should be given freedom in terms of engaging more strategic partners in all project components envisaged</i></p>	<p>Shall be read as:</p> <p>The PDC may create Sub SPV(s) for development of project components and offer stakes to strategic partners subject to Lead member maintaining the highest share holding with minimum holding of 26% at all times and in case of institutional and recreation project component PDC shall always ensure shareholding of the Authority shall always remain the same as offered as bid variable. PDC may also enter into a Development Right Agreement (DRA) for any project component(s) as deemed necessary. Such DRA shall be tripartite in nature and in no case contravene or extinguish or dilute obligations of PDC as per the provisions of this agreement.</p>
		<p>And similarly, Clause 13.4.2 (ii) shall be read as,</p> <p>PDC shall foreclose all third party agreement not limited to construction, marketing, suppliers contracts before release of termination payment and shall absolve Authority from any future liability or claims of whatsoever nature as except any third party agreement wherein the Authority has undertaken to protect the basic business interest of the third party;</p>
		<p>And similarly, Clause 13.4.2 (iii) shall be read as,</p> <p>Authority shall not unreasonably deny continuance of Tripartite Agreements already executed with Unit Holders and Development Right Partner before the date of termination of agreements</p>
2.	Whether the successful bidder will have the assignment right to third parties without the prior consent of NOIDA Authority?	Please refer amendment done at serial no. 1

S. No	Bidder Query	Response
3.	<p>Ref of clause 7.2 in DPA, “Such mortgage rights shall not be unreasonably denied by Noida to PDC upon request but shall be subject to land parcel under development phase and against submission of irrevocable and unconditional bank guarantee by PDC to Noida equivalent to circle rate prevailing at that point of time for land parcel under consideration”</p> <p><i>Such provision makes PDC makes financing arrangement much more severe and amounts to double securitization first in favor of Noida and then in favour on Lender.</i></p>	<p>Shall be read as,</p> <p>Such mortgage rights shall not be unreasonably denied by the Authority to PDC upon request but shall be subject to land parcel under development phase and against, for the value equivalent to circle rate prevailing at that point of time for land parcel under consideration PDC shall make:-</p> <ul style="list-style-type: none"> • Submission of irrevocable and unconditional bank guarantee by PDC to Authority OR • Pledging of Fixed Deposit of equivalent value OR • Pledging an equivalent value of property at some other location OR • Any other securitization mechanism as mutually discussed & agreed between Lender, the Authority and PDC.
4.	<p>Normally, the PDC shall be required to raise funds by securitization of its assets, Stipulation of unconditional bank guarantee by PDC to NOIDA would also require the raising of resources which will require securitization. Thus PDC would be required to raise double resources, one for arranging the funds for the project and the other for arranging the guarantee. Thus, this would not be feasible and in the best interest of the project. Therefore, the submission of bank guarantee provision for arranging mortgage right should be done away with.</p>	<p>Please refer amendments done at serial no. 3</p>
5.	<p>Ref of clause 3.5.5 of ITB, “In case of a member of the Consortium who is not a Lead Member, the member would be required to hold his initial equity stake in the PDC at least for the period till the 40% of permissible divisible component is developed and accorded completion by designated authority”</p> <p><i>Exit option to non lead members should be provided for given Lead members continuance as highest</i></p>	<p>Shall be read as,</p> <p>Minimum Equity Holding The Bidder will be required to incorporate a Project Development Company (PDC) to undertake the Project prior to the start of implementation of the Project. In case of single entity Successful Bidder, it will have minimum 26% equity in the PDC. Whereas in case of consortium Successful</p>

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	<p><i>shareholding with minimum stake of 26% is ensured. Such provisions shall ensure attraction to strategic investors like PE or FDI funds.</i></p>	<p>Bidder, the lead member of Consortium shall be required to hold a minimum of 26% of equity holding and other members shall be required to hold a minimum of 10% equity holding in the PDC subject to the following conditions:</p> <ul style="list-style-type: none"> (i) In case of a member of the Consortium who is not a Lead Member, the member would be required to hold his initial equity stake of at least 10% for being considered as relevant member for prequalification and evaluation of bid consortium members may dilute their stake at later stages during implementation. In all case Lead member shall be holding the highest equity stake not less than 26% (ii) In case of the Lead Member of a Consortium, the Lead Member would be required to hold minimum of 26% equity stake in the PDC till the handover of entire commercial consideration to the Authority and ensuring permanent institutionalized arrangement for O&M of the Project on sustainable basis to the satisfaction of the Authority.
		<p>And similarly, Clause 1.1.27 shall be read as,</p> <p>“Minimum Shareholding Requirements” shall mean the following:</p> <ul style="list-style-type: none"> (i) In case of single entity, the Successful Bidder is required to maintain at least 26% equity in the Project Development Company and shall have highest shareholding in the PDC till the handover of entire Commercial Consideration to the Authority. (ii) In case of Bidding Consortium, the Lead Consortium Member of the Consortium shall be required to maintain at least 26% equity stake in the Project Development Company provided that Lead Consortium member shall have highest shareholding in the PDC. And

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		<p>other member, who is not a lead member shall hold his initial equity holding of at-least 10% for being considered as relevant member for prequalification and evaluation of bid consortium members may dilute their stake at later stages during implementation. In all case Lead member shall be holding the highest equity stake not less than 26%</p>
	<p>Reference: Clause 3.5.5 (i) <i>In case of a member of the Consortium who is not a Lead Member, the member would be required to hold his initial equity stake in the PDC at least for the period till the 40% of permissible divisible component is developed and accorded completion by designated authority.</i> <i>The member would be required to dilute his equity stake at any time in the project implementation to raise additional resources. Therefore, dilution in the equity stake of consortium members should be permitted without any conditionality of retaining the initial equity stake till the development of 40% permissible built up area. This would be essential for enhancing the quality of project partnership of PDC apart from permitting the funding resources.</i></p>	<p>Please refer amendment at serial no. 5</p>
6.	<p>In clause No. 3.5.5, what is the definition of permissible divisible area?</p>	<p>Please refer amendment at serial no. 5</p>
7.	<p>Are there any restrictions on dilution of equity stake?</p>	<p>Please refer amendment done at serial no. 5</p>
8.	<p>The lead member of a Consortium, should be permitted to have flexibility and should be allowed to dilute his equity stake in PDC after the resources for the project are fully tied up and the implementation reaches 40% development of the permissible built up area subject to the limit that the lead member along with the 2nd highest stake holder in the PDC are holding 26% equity stake in the PDC.</p>	<p>Please refer amendment done at serial no. 5</p>
9.	<p>Please give explanation and definition of RBI lenders as mentioned in clause 7.2(1)?</p>	<p>Shall be read as, “RBI approved Lender or Financial Institutions”</p>
10.	<p>It is therefore requested that the date of submission be extended by at least 3 months to enable the prospective</p>	<p>Last date for submission of bids is extended to February 12, 2009</p>

S. No	Bidder Query	Response
	bidders to take part in the bidding process.	
11.	Date of submission of bid shall be extended by at least 3 weeks from the current date.	Last date for submission of bids is extended to February 12, 2009.
12.	<p>Reference : Clause 7.2 (v)</p> <p>The Authority through its auditor shall do quarterly review and ensure that the net value of unsold/ un-disposed assets created by PDC minus all liabilities of whatsoever nature is always more than the prevailing value of the total land provided by the Authority.</p> <p><i>The compliance of this condition is not feasible and thus the clause should be done away with.</i></p>	<p>Shall be read as below,</p> <p>In case PDC fails to meet the implementation schedule as defined and agreed in DPR, the Authority through its auditor shall have the right to review and ensure that the net value of unsold/ un-disposed assets created by PDC minus all liabilities of whatsoever nature is always more than the prevailing value of the total land provided by the Authority.</p>
		<p>And similarly, Clause 2.6 shall be read as,</p> <p>The Project Development Company shall ensure that net Fair Market Value of the Project shall at all times remains positive and be subject to review by the auditors of the Authority, in case PDC fails to meet the implementation schedule as defined and agreed in DPR. The Net Fair Market Value shall be Fair Market Value minus (a) advances and deposits received by PDC, and (b) any dues and all expenses incurred by the AUTHORITY in respect of the Project till date and (c) insurance proceeds and (d) outstanding debt due and (e) any other liability of whatsoever nature.</p>
		<p>And similarly, Clause 13.1.1 (xiii) shall be read as,</p> <p>During review by the Authority as provided for in this agreement, if it is detected that the fair market value of the unsold/indisposed assets minus (a) advance and deposits received by PDC, and (b) any dues and all expenses incurred by the AUTHORITY in respect of the project till date and (c) insurance proceeds and (d) outstanding debt due and (e) any other liability of whatsoever nature is negative.</p>

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13.	<p>Reference : Clause 13.3.3</p> <p><i>As stated earlier, the Escrow mechanism for the project is not feasible and practical so the applicability of such clause is mandatorily be done away with.</i></p>	<p>Escrow Account mechanism is primarily on account of commercial consideration to Authority in form other than sharing of built up area and bankability provisioning norms.</p> <p>For purpose of clarity, Clause 1.1.18 shall be read as,</p> <p>“Escrow Account” means an account for the Project operated by PDC, where all gross revenue shall be deposited, including but not limited to Charges, receipts from Sale, lease rental, security deposits or amenities of the Project. Charges on Escrow Account shall be defined and agreed jointly by PDC, the Authority and Lender at the stage of finalization of DPR or Financial Closure.</p>
14.	<p>Reference : Clause 2.4</p> <p>All the Revenue including refundable/ non refundable security deposits and revenue from amenities, from the Project shall be deposited in an Escrow account with defined charges mutually agreed of. The payment to the Authority as provisions of this agreement shall always have the first charge and precedence over other charges defined and agreed of.</p> <p><i>Given the basic principles behind joint development model, there should be no escrow account mechanism for revenue receipts for the PDC share of assets in the project.</i></p>	<p>Shall be read as,</p> <p>All the Revenue including refundable/ non refundable security deposits and revenue from amenities, from the Project shall be deposited in an Escrow account with defined charges agreed jointly by PDC, the Authority and Lender at the stage of finalization of DPR or Financial Closure.</p>
15.	<p>Reference : Clause 4.3</p> <p>The PDC shall be entitled to market and sale its share with prior permission or approval of the Authority and the revenues from such marketing and selling shall be credited to Escrow Account.</p> <p><i>The creation of Escrow mechanism is not practically feasible. PDC should be given complete freedom in marketing & transacting its own share of assets created without any Escrow Mechanism.</i></p>	<p>Shall be read as,</p> <p>The PDC shall be entitled to market and sale its share and the revenues from such marketing and selling shall be credited to Escrow Account</p>
16.	<p>Reference: Clause 2.1.3 (a)</p> <p>The Bids submitted by a Consortium should comply with the following additional requirements (failing which it</p>	<p>Accepted and Maximum number of members in a consortium shall be 5 (five).</p>

S. No	Bidder Query	Response
	<p>shall result into disqualification of the bidder): (a) Number of members in a Consortium should be limited to 3 (Three); <i>The project size being very large, it would involve participation of more consortium members. Moreover the project involves integrated use; it will necessitate a large number of strategic partners to pool their skill sets and experience. Therefore we request you to allow for higher number of consortium members say at least six (6) instead of three (3)</i></p>	
17.		<p>For purpose of clarity, definition of BUILT UP AREA has been inserted in Part II of Bid Documents as below:</p> <p>1.1.39 “Built up Area” means area approved as per applicable FAR (Floor Area Ratio) + Non FAR area (viz. Basement, shafts, balcony etc) as per applicable building bylaws and regulations of DDA.</p>
18.		<p>Financial Bid format is revised and enclosed to this response sheet.</p>

CLARIFICATIONS TO QUERIES

S. No	Bidder Query	Response
Clarifications		
19.	Whether NOIDA will make the arrangement for getting the “Environment clearance” and “Height Clearance from AAI	It shall be developer’s responsibility to get all approvals and sanctions from the designated authorities except Change of Land-use. However, The Authority will assist developer on best effort basis.
20.	Weather development of an SEZ can be taken into consideration for evaluating the “Eligibility Criteria” of developers. [50% processing area in the SEZ comprises of residential, Commercial and Township]	Experience falling under the category and limits as defined in criteria of qualification is relevant and eligible. SEZ as project category should be eligible.
21.	Whether Project Development Company (PDC) shall be established under Companies Act and will be governed by all byelaws applicable to company Act.	Yes, as per Companies Act 1956
22.	In eligible experience clause (3.2.1) it’s mentioned as any projects of Rs. 1000 Crores while other clauses mention real estate development. So please conform that any project of Rs. 1000 Crores can be taken.	Yes, as per Bid Documents
23.	Has this specific 5 acre land for metro project and its purpose been identified? If so what is the exact location? If exact location is not identified please conform the developer will be consulted as all development has to take care of same.	The parcel of land (admeasuring approx. 5 acres) required by DDA for Metro facility has already been identified and the details of the same shall be furnished. <i>(Map of the sites is enclosed herewith)</i>
24.	Net worth Parameter of Rs. 750 Crores as mentioned in 3.4.1 and 3.5.1 should be weighted sum and not arithmetic sum of each member of consortium as is normal government practice.	No change and remain same as provided for in bid document
25.	Will the marketing of built up area under share of Authority be binding on bidder if authority desires so? In the case please conform builder will be provided for marketing expenses and fees.	If the Authority desires so, PDC shall market Authority’s share of built up area with terms mutually decided.
26.	The clause 2.6 & 13.1.1(13) regarding fair market value should be dropped. It’s not in PDC’s hand to control the market. Also the fair market value of incomplete building and construction is difficult to determine.	As per provisions of bid documents and refer amendment done
27.	Once all development obligations are completed then developer should have option to get land transferred to	No such land transfer to PDC is envisaged in the project structure except SPV creations and tripartite agreement

	PDC. The agreement between authority and developer should terminate after NOIDA authority gets their share and land is transferred to PDC/buyers.	
28.	What is the need escrow account between PDC and authority when the developer is transferring the built up FAR to the authority and there is already provision of performance guarantee?	Escrow Account mechanism is primarily on account of commercial consideration to Authority in form other than sharing of built up area and bankability provisioning norms. Refer amendments at serial no. 15, 16 & 17.
29.	As against what is mentioned in clause 4.1.1.5 the authority should take the EWS housing as well on the same Bid variable %.	EWS housing shall be as per norms of DDA and excluded of FSI sharing with the Authority
30.	The PIM clause 3.2 mentions a market survey of real estate in Delhi done by IASPL. Please provide a copy of this report.	The micro market scenario as based on findings, trends & available information has been compiled in PIM. Bidders are advised and expected to undertake market research and primary survey to their satisfaction if desired so prior to bid submission
31.	In clause 3.2.1 section III part I it has been mentioned that bidder should have completed a real estate projects on minimum 1000 acres land as real estate developer or incurred expenditure of minimum Rs. 1000 Crores in real estate project development during last three years. We think that these statements are contradictory to each other. From our understanding of the intention instead of 1000 acres project of real estate it should be 100 acres only. Please look into it and clarity about the view of the authority.	No change. Its self explanatory and remains same as provided for in bid documents.
32.	We do not find any mention of permissible FAR and percentage of permissible ground coverage. Please clarity.	All development control norms (like FAR, ground coverage etc) shall be as per applicable DDA Master Plan and building byelaws. (Refer 1.1.14)
33.	Please clarity whether the project is exclusively for built-up units or plotted development is also allowed. If yes, how much percent of the land area can be utilized for plotted development?	Overall Land-use distribution of the project sites shall be governed by applicable DDA Master Plan and building byelaws. Plotted development is not envisaged. PDC may create SPVs to develop project components as provided for in the Draft Project Agreement.
34.	Please clarity about the status of change of land use by Delhi Development Authority. Also please clarity whether the plans shall be approved by NOIDA or DDA.	Public Notice for objection/ suggestion to Change of Land-use was published by DDA on December 16, 2008. Objection/ suggestion were to be submitted by individuals

		in writing to Principal Commissioner cum Secretary, DDA within a period of 30 days from date of notification. The Change in Land-use is likely to be notified soon. DPR containing technical details, development plan, implementation plan, sale plan, including plan for achieving financial commitment shall be approved by the Authority. However PDC shall take all statutory approvals from respective applicable Authority.
35.	The eligible experience in terms of completed projects and incurred expenditure should be extended to the cumulative experience of projects completed over the last 7 years.	No change and remains same as per bid documents
36.	We should be allowed to leverage the technical experience of our associate funds operating in other major global economies such as the US, Europe, Latin America etc.	No change and remains same as per bid documents.
37.	Since we have a fund structure, we shall be allowed submit a Certified Statement of the firm investment commitments from the investors in the fund, as true reflection of net worth.	No change and remains same as per bid documents.
38.	In Clause No. 3.2.1, what is the definition of project expenditure?	All project expenses excluding cost of land.
39.	What is the mechanism for refund of Bid Security and Project Development fee to the Successful bidder in case NOIDA Authority is not able to get the change of land use for the subject site, within a specified period?	In case, NOIDA is not able to obtain the change of land use, Bid Security and Project Development Fee shall be returned.
40.	Are there any commitments in addition to EWS, which the bidder has to fulfill to NOIDA or any other Statutory Authority?	As per provisions of bid documents and as required by applicable regulations
41.	Are there any obligations of maintaining internal infrastructure for any specified period?	Refer clause 3.5.5 (ii) of bid document part II
42.	Given the working model in such projects, NOIDA should permit execution of lease or sale agreement / MoU for development rights of the share of PDC with any party to PDC.	As per provisions of bid documents and refer the response to query no. 1.
43.	Reference : Clause 3.7 On completion of the development of the Project as per the DPR, the AUTHORITY and PDC shall execute Tripartite Lease or Sale Agreement with Persons/prospective Unit Holders on request from the PDC as per the process duly	As per provisions of bid documents and refer amendment at serial no. 1

	and mutually agreed upon. Such tripartite agreement shall only executed by the Authority after transfer of commercial consideration to the Authority as per clause 4. <i>Given the working model in such projects, NOIDA should permit execution of lease or sale agreement/ MoU for development rights of the share of the PDC with any party to PDC.</i>	
44.	We would like to refer the Bid Document of the captioned project: Clause no. 3.2.1 wherein we would request you to reduce the minimum project cost incurred benchmark from 1000 Crores to 500 Crores for a project to eligible for tapping the experience or the number of projects shall be increased from 1 to 3 that can add up to 1000 Crores cost benchmark as eligible experience.	No change and remains same as provided for bid document
45.	Clarity should be given regarding construction timeline of the Project.	Construction timeline in the form of Implementation Schedule shall be decided at stage of preparation of DPR as indicated in the bid documents.
46.	In meeting/ fulfilling the Technical Criteria for the consortium, the Technical Credential of the complete consortium (All the 3 Members) should be considered instead of only the Lead Member.	No change and remains same as provided for bid document
47.	Provide all correspondence between NOIDA & DDA/ MCD/ any other local authorities along with file notes if any.	Representative of bidder with required authorization may visit the office of the Authority for viewing details of all correspondence for Change of Land-use.
48.	Current Status of CLU and tentative time for the conversion of Land-use.	Refer response at serial no. 38
49.	Expenses of CLU to be borne by NOIDA? Please confirm.	Yes, all expense for conversion of Land-use shall be borne by the Authority.
50.	Stamp duty and legal charges to be borne by NOIDA or developer?	Not applicable as project concept does not envisage land transfer to PDC.
51.	EDC, IDC & other charges to be borne by NOIDA or Developer?	EDC, IDC & other charges shall be borne by PDC of successful bidder.
52.	Status of Land: leasehold (No. of years) or freehold?	Leasehold land as per DDA rules and regulations.
53.	Finishing level required from the developer?	Finishing level and specification of building construction shall be defined at the stage of finalization of DPR.
54.	Completion period/ Construction period if any?	Refer response at serial no. 47
55.	Terms & condition of marketing of FAR of NOIDA?	Refer response at serial no. 29
56.	Single entity or lead member should have completed any	Refer response at serial no. 26

	project of Rs. 1000 Crores: Please confirm it include industrial project including plants & machinery etc. for calculating Rs. 1000 Crores.	
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FINANCIAL BID

Date:

Chief Executive Officer
New Okhla Industrial Development Authority
Administrative Complex, Sector 6, Noida - 201301
District: Gautam Budh Nagar
Uttar Pradesh, India

We, hereby, offer ___ % (*in words* per cent) as commercial consideration to be transferred to the Authority in the way and manner as defined in Clause 4 of Part II of the bid documents.

Name of the Bidder

Signature of the Authorised Person

Name of the Authorised Person

Note:

- *To be signed by the Lead Member(s) in case of a Consortium.*