

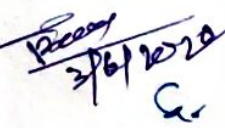

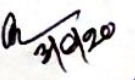







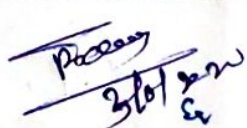

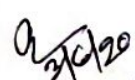
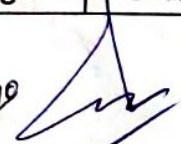
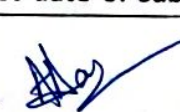
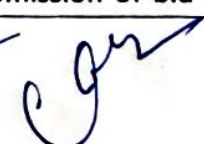
Response of OSHB to the queries, received from intending bidders within the scheduled period i.e. 28.05.2020 in response to the bid identification No. 03(A)/CE/OSHB/2020-21 for selection of developer through e-auction of the land measuring 6.589 acres at Patrapada for development of an integrated residential-cum- commercial complex in Bhubaneswar, as discussed in pre-bid meeting held on Dt. 03.06.2020 at 11.00 A.M.

LIST OF QUERIES

Sl No	Claus e No	Page No	Existing Clause as per RFP	Clarifications sought/Modifications requested	Response to the queries by OSHB
01	5.1.5	23	<p>1. In case of a Bidding Consortium,</p> <p>i. The Lead Consortium Member (LCM) shall be that Consortium Member which is charged with the prime responsibility of developing the Project;</p> <p>ii. The Lead Consortium Member shall commit to hold a minimum equity stake equal to 26% of total paid up equity capital of the joint venture company participating in the Project Company up to three years after Commercial Operation Date; and</p> <p>iii. Each member of the Consortium, who are not the Lead Member, would be required to commit to hold a minimum equity stake equal to 10% in the total paid up equity capital of the joint venture company participating in the Project Company upto the Commercial Operation Date of the Project.</p>	<p>We request that in case of a sole bidder, the minimum equity stake to be held by the bidder up to 3 yrs after COD shall be 26 %. The sole bidder should be allowed to divest upto 74% any time before COD.</p>	<p>In case of a sole bidder, the minimum equity stake to be held by the bidder up to 3 yrs after COD shall be 26 % of his declared total assets. The sole bidder may divest upto 74% any time after COD.</p>

02	5.16.1	24	<p>Earnest Money Deposit</p> <p>Bidders are required to submit a Demand Draft from any nationalised bank in India favouring "Orissa Housing Board Fund" payable at Bhubaneswar or through RTGS (Bank Name-Vijaya Bank (Now, Bank of Baroda), OGNB branch, Bhubaneswar, Current Account No-748100301000344, IFSC code VIJB 0007481) for an amount of Rs. 1,99,86,000=00 (Rupees One Crore Ninety Nine Lakhs Eighty six thousands) only along with their Bid. Bids which are not accompanied by the Earnest Money Deposit shall be rejected by OSHB as "Non-Responsive".</p>	<p>We request you to permit submission of EMD in the form of Bank guarantee.</p>	<p>Modifications not acceptable</p>
03	5.16.4	24	<p>The Reserved Price of the land is fixed at INR 66,62,00,000=00 (Rupees Sixty six crores sixty two lakhs) only. The bidder has to pay statutory taxes over and above his quoted bid amount as applicable from time to time. The bidder may refer the definition of tax at clause-1.1.45 of Draft Development Agreement. It is made clear that a bidder quoting less amount than the reserve price shall not be entertained.</p>	<p>The indicated reserve price for the land seems to be very much on the higher side considering that the land is not given on freehold basis and given on long term lease.</p> <p>We request you to kindly review and reconsider as this will adversely impact the financial viability of the project. Reducing the reserve price is critical for the viability of the project</p>	<p>Modifications not acceptable.</p>
04	5.17	25	<p>Time table</p>	<p>The schedule for the site visit that is between 22-05-2020 and 27-05-2020 is very short considering the</p>	<p>OSHB has considered the extension of site visit period up to Dt. 20.06.2020 and the last date of submission of bid to be</p>

			Nationalised bank before execution of the Development Agreement. Subject to clause 35 of the Draft Development Agreement and other contingencies if any, this Performance Security may be released by OSHB to the Selected Bidder on or after Commercial Operation Date.		
06	15.1	16 of DA	<p>The Developer shall pay following annual charges in respect of Leased Land to OSHB subject to revision by the concerned authority/GOO and shall be intimated to the Developer from time to time:</p> <p>Annual Ground Rent</p> <p>Any other taxes , fees , premium if any levied by as applicable Govt. (central and state), instrumentality of the Govt. / Statutory/ Local bodies and etc imposed/ to be imposed time to time for the land and the construction thereon</p>	<p>We request you to kindly specify the exact amount payable as these will have significant impact on financial viability of the project. Therefore, it is very critical for the bidder to know these amounts upfront without any ambiguity.</p>	<p>The future imposition of annual charges such as ground rent, other taxes, fees, premium if any levied by Govt.(Central/State), instrumentality of the Govt. / Statutory/ Local bodies and etc imposed/ to be imposed time to time for the land and the construction thereon cannot be ascertained right now. However, information on basis of registered lease deed executed in respect this land are as follows:-</p> <ol style="list-style-type: none"> 01. AGR payable @ 1 % of the land premium i.e Rs. 4,88,591.00 per annum. 02. Cess payable @ 75 % of the AGR i.e Rs. 3,66,443.00 per annum. 03. In case of default of payment, interest @ 12% per annum on default amount for the default period is chargeable.

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07	18	20	N.B. 2. The Developer shall be entitled to and /or will be authorized to grant sub-lease right as specified in clause 17 of Part-II of RFP Development Agreement, after payment of the Quoted Bid Amount in full including interest accrued if any, thereon to OSHB and in case any sub-lease granted in violation of this condition, shall be deemed void and invalid and consequently it would be presumed as a Developer's Event of Default entailing termination of the Lease.	<p>We request that the developer be allowed to enter into agreements to sublease with prospective tenants upon all statutory approvals and the lunch of the project and collect initial milestone payments. This sublease should be allowed upon developer paying the first two installments of the payments to the authority and upon furnishing a bank guarantee from a nationalized bank for the balance 50% of the quoted bid amount.</p> <p>The above is very critical for the financial viability of the project.</p>	The developer will be allowed to enter into sublease deed as per clauses 17 of the RFP-II with prospective tenants.
08	24.1	22	On the completion of 85 (Eighty Five) years from Dt. 18.04.2004, the parties shall enter into good faith negotiations to renew this Agreement. OSHB shall make best effort to renew the lease agreement with GOO. If the lease agreement with GOO is renewed OSHB shall also renew this Agreement with the Developer in accordance with the prevailing policy of the GOO.	<p>Following are very critical for salability of the project:</p> <p>1) The lease period of 90 years should be effective from the date of execution of sublease between the developer and tenant such that each tenant enjoys 90 years of lease and</p>	The lease conditions as approved by the GOO holds good. OSHB is not competent to change the GOO lease conditions.

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				<p>notwithstanding the date of sale. If this clause is not provided, the marketability of the built up area will reduce drastically as the years pass by.</p> <p>2) There has to automatic provision of renewal of sub-lease for the tenant upon expiry of the sub lease period. This has to be provided as recourse for the tenants/sub lessie as this will help in marketing the project</p>	
09	35	34	35. AMOUNT DUE TO BE PAID CONSEQUENT UPON TERMINATION	<p>It is necessary specify the termination payment to the developer upon event of default by the authority after transfer of land. Presently it is not specified in the development agreement.</p>	<p>After transfer of the land by OSHB to the developer, the question of default does not arises by OSHB.</p>

A.E.E(Divn.-I), AAO(Scheme), Law Officer, Executive Engineer (II/ Elect.), Executive Engineer (I/PPP), Executive Engineer (PH),

Land cum Administrative Officer,

Deputy Chief Architect,

Chief Accounts Officer,

Chief Engineer,

Secretary,

Approved

Chairman
Orissa State Housing Board
Secywar -1