

14th September 2009

Sub : High Speed Rail Link to Bangalore International Airport
– Queries & Responses

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This has reference to certain queries which were received subsequent to pre-application conference. The response to queries is as indicated below:

| Sl No | Clause  | Query                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Response                                                                                                                               |
|-------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 1     |         | <p>Large value projects are being excluded on PPP / works contract basis only in the recent times in the Rail / Metro sector in India. In the RFQ document only such of those contracts with a cumulative payment of more than Rs.150 crores in the last 10 financial years is proposed to be considered for evaluation under Category 3 &amp; 4.</p> <p>Suggested that individual contracts / packages executed / under execution for a single project authority for a single project be allowed to be clubbed, as long as it is for single identifiable project. For instance various packages executed in DMRC phase I project can be clubbed. This will ensure level playing field for Indian companies and will encourage competition.</p> | <p>Project under clause 3.2.4 means “Projects” and not packages / contracts / agreements for individual works of the same project.</p> |
| 2     | 2.2.2 B | <p>Please arrange to restore the clause relating to Minimum Equity Share as given in the RFQ document dated 07.02.2009 according to which the Minimum Equity Share of a consortium member is 10%.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>No change</p>                                                                                                                       |
| 3     | 3.2.8   | <p>The changes in minimum equity share and introduction of new clause for computing the score from the projects situated in OECD countries are compelling us to re-work the whole strategy, negotiate with our partners and convince them.</p> <p>In view of the above, requested to extend the due date for submission of RFQ document by at least 2 months from the scheduled due date.</p>                                                                                                                                                                                                                                                                                                                                                   | <p>Submission / Application due date has been extended to 30.09.2009.</p>                                                              |

|   |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                          |
|---|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 4 |                           | Issue a revised RFQ document incorporating all the modifications/changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                          |
| 5 |                           | In case the Appendices and Annexure of the RFQ document are available in the word format, we kindly request you to send us the same.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Hosted on the website.                                                                                                   |
| 6 | 2.2.3 of RFQ & 6.6 of JBA | In view of provision made in the Clause 2.2.3 of amendment made in the RFQ document, it is understood that clause no.6.6 of JBA may be excluded in case concessionaire undertake to enter into contract for O&M as per clause No.2.23 of RFQ document                                                                                                                                                                                                                                                                                                                                                                                               | JBA format for HSRL Project is hosted on website.                                                                        |
| 7 | 6.6 of JBA                | This clause imposes the condition that a consortium needs to have a O&M partner with an equity holding of 10%. However, the Clause 2.2.3 of the RFQ document conflicts with JBA. Kindly modify the JBA format to keep it in line with the RFQ document.                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                          |
| 8 | 3.2.1 & 3.2.4             | <p>In the RFQ document formats for 'Certificate from the statutory' are given for the following type of project: (1) PPP projects (category 1 &amp; 2, Clause 3.2.1) (2) Construction works (Category 3 &amp; 4, clause 3.2.1 &amp; 3.2.4).</p> <p>However, there is no format of certificates for projects owned and implemented by the Applicant i.e., no separate company was formed to execute the project and the Applicant incurred capital expenditure for the same.</p> <p>A format for such project is attached (Annexure A) in line with the formats provided in the RFQ. Requested approval for the attached format at the earliest.</p> | Format similar to the specified certificate (certificate from the statutory) could be used with necessary modifications. |
| 9 |                           | <p>The consortium members should be jointly and severally liable only till the incorporation of SPV and not till the Financial Close because of the following reason:</p> <p>a) Foreign companies who come in as Technical Partners are very</p>                                                                                                                                                                                                                                                                                                                                                                                                    | No change                                                                                                                |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
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|  | <p>uncomfortable with such a condition and always prefer to restrict the timeline for joint and several liability till the incorporation of the SPV.</p> <p>b) Since after the incorporation of SPV, the SPV assumes all the responsibilities and obligations of the consortium members, keeping the members jointly and severally liable till the financial close doesn't serve any purpose. Also, the fact that the SPV is a limited liability company wherein the liabilities of the consortium members is limited to their respective equity shareholding under the companies act, absolves the consortium members of any liability greater than that.</p> <p>c) In case of Mumbai Metro Line 1, Mumbai Metro Line 2 and the Delhi Airport Metro Express Link projects, the joint and severally liability of consortium members is only till the incorporation of the SPV.</p> |  |
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**Note** : No further queries will be entertained.

Sd/-  
( MANAGING DIRECTOR )

**Annexure - A**

**Certificate from the Statutory Auditor regarding PPP works**

This is to certify that .....(the Applicant) owns the .....(project name). The project was commissioned on .....

We further certify that the total capital cost of the project as on the date of commissioning was Rs. ....and Rs.....of capital expenditure was incurred during the past ten financial years as per year-wise details noted below:

| Year    | Capital Expenditure (Rs. in Crore) |
|---------|------------------------------------|
| 1999-00 |                                    |
| 2000-01 |                                    |
| 2001-02 |                                    |
| 2002-03 |                                    |
| 2003-04 |                                    |
| 2004-05 |                                    |
| 2005-06 |                                    |
| 2006-07 |                                    |
| 2007-08 |                                    |
| 2008-09 |                                    |
| Total   |                                    |

We also certify that the total annual revenues collected and appropriated by the aforesaid project in terms of Clauses 3.2.1 and 3.2.3 (d) of the RFQ, during the past ten financial years were Rs..... as per year-wise details noted below:

| Year    | Revenue (Rs. in Crore) |
|---------|------------------------|
| 1999-00 |                        |
| 2000-01 |                        |
| 2001-02 |                        |
| 2002-03 |                        |
| 2003-04 |                        |
| 2004-05 |                        |
| 2005-06 |                        |
| 2006-07 |                        |
| 2007-08 |                        |
| 2008-09 |                        |
| Total   |                        |

Sign:  
Date:  
Place: