

Deccan Infrastructure and Land Holdings Limited		
Pre-Application Meeting		
March 05, 2008	1100 hrs- 1300 hrs	Pre- Application Meeting
ATTENDEES (BIDDERS)	12 developers participated in the meeting; the list of participants is enclosed as Annexure.	
ATTENDEES (DILL)	Mr. B R Meena, IAS (VC & MD); Mr PS Raju (GM Projects); Mr K. Srinivas (Deputy EE); Mr. Narender (Manager); Mr. Madhuphaninder (Manager).	
ATTENDEES (E&Y)	Mr. Vishal Goel, Mr. Sunil Kumar Pareek, Mr. Niyaz Ahmed.	
OBJECTIVE	<ul style="list-style-type: none"> ▪ To discuss the key aspects of the EOI-cum-Qualification document ▪ To understand queries from interested parties and provide clarification/additional information on the project ▪ To discuss amendments/ alterations if any to the EOI-cum-Qualification document. 	

DISCUSSION 1	Background
	<ul style="list-style-type: none"> ▪ The Deccan Infrastructure and Land Holding Limited (DILL) and Ernst & Young Pvt. Ltd. (Ernst & Young) team introduced the background of DILL and the project to the participants. The rationale for adopting a two stage bid process for identification of the partner was discussed. ▪ DILL has adopted a two stage bid process for identification of the partner: <ol style="list-style-type: none"> 1. Eol-cum-Qualification Stage – To shortlist qualified bidders 2. Request for Proposal (RFP) Stage – To evaluate the techno-commercial proposal of the qualified bidders ▪ The Pre Application meeting was scheduled as part of the Eol stage. ▪ An Eol-cum-Qualification document has been prepared by DILL for the Eol stage which has been made available on the website: www.deccaninfrastructure.com. The Eol-cum-Qualification document sets out the criteria for eligibility of Bidders (in terms of experience in real estate development and financial capability). ▪ The Eol applications are required to be submitted to the office of DILL on or before 18 March 2008 (1600 Hours). The RFP document shall be issued only to the bidders who submit the Eol applications and demonstrate the eligibility criteria set out in the Eol-cum-Qualification document.

DISCUSSION 2**Clarifications**

The clarifications/queries on certain issues set out in the EoI-cum-Qualification document were sought by participants in writing and also during the meeting. This section provides the queries from the bidders and the responses of DILL.

Query - Would the experience of a Business Entity which has changed its nature from a Pvt. Ltd. to Public Ltd. be considered?

Response – It shall be considered.

Query - Would the experience of a project outside India be accepted?

Response – Experience of a project outside India which is in the nature of Development of Urban Infrastructure Projects as defined in Section 3 of the EoI-cum-Qualification document shall be considered. However, all relevant submissions as required in section 3.2 and 3.3 are required to be submitted for such projects.

Query - Request to increase the maximum number of projects (presently two) to be considered for qualification of threshold Built Up Area during the period mentioned in the Section 3.3.2.

Response – Please refer to section on amendments.

Query - Would experience of work-in-progress projects/not yet commissioned projects be considered for experience?

Response - No.

Query - Would experience of development of SEZ be termed as Urban Infrastructure Project?

Response - Yes.

Query – Request to remove the prescribed minimum condition for the Lead Member to meet the financial capability in section 3.7.1.

Response - No change in the existing provision.

Query - Would the project structure indicated as per Annexure 2 be binding on the Applicants?

Response - Broad level project structure options have been provided by DILL in Annexure 2. The options set out are the possible parameters/range on the basis of which a project structure would be finalised by DILL for each land parcel and provided to the Qualified Applicants in the RFP document.

The Applicants are requested to suggest their opinion on the project parameters as part of their Application, which could serve as inputs to DILL for finalizing the project structure. The Applicants could provide inputs on the following for each of the land parcel:

1. Preferred Land Use for the land parcel
2. Type of arrangement – JV Agreement/Development Agreement
3. Mode of Transfer – Sale/Lease/Execution of Power of Attorney
4. Tenure of the arrangement
5. Modalities for revenue sharing
6. Institutional framework (Incorporated JV/ Unincorporated JV)
7. Any other suggestion which the Applicant might like to share with DILL

It may be noted that the suggestions would be treated merely as inputs and shall not be binding on either DILL or the respective Applicant.

Query - Request for extension of the Application due date.
Response – Extended Application Due Date : April 04, 2008

DISCUSSION 3

Amendments

DILL has proposed amendments to the Eol-cum-Qualification document on the basis of queries from potential applicants. These are set out in this section:

Issue – Experience of group/associate company of Applicant/Lead Member

Amemdment1a

Point 5 in notes to Appendix F-1 stands deleted/removed from the Eol document - *“Experience of only the Applicant shall be considered. Experience of associate company/parent company/ subsidiary company shall not be considered for qualification purposes. However, if the experience relates to a subsidiary company of the Applicant which is in the nature of a Special Purpose Vehicle for the project or similar projects, which is being demonstrated as experience and if the Applicant holds fifty (50) percent or more of paid-up-equity in such subsidiary, then the experience of such subsidiary would be considered for qualification.”*

Amendment 1b

The following clause stands inserted in Section 3 of Eol Document in lieu of Point 5 in notes to Appendix F-1.

“The Applicant shall demonstrate its experience either on its own as a single Business Entity or may demonstrate experience of any three (3) Group Business Entities.

For the purpose of this document, Group Business Entity shall mean any of the following:

- 1. A Business Entity which directly holds 50% or more of the paid-up equity of the Applicant. (Such a Business Entity is referred to as a “Parent Company”).*
- 2. Any Business Entity in which the Applicant directly holds 50% or more of its paid-up equity. (Such a Business Entity is referred to as a “Subsidiary Company”).*
- 3. Any Business Entity which is a Subsidiary Company of the Applicant’s Parent Company. (Such a Business Entity is referred to as an “Associate Company”).*

The Applicant shall indicate the nature of Business Entity relating to which the Experience Criteria is being demonstrated and shall submit as a part of its Application, a certificate from a Statutory Auditor (indicating the direct equity stake) clearly indicating that the Business Entity which has demonstrated the experience is a Parent Company/Subsidiary Company/Associate Company – as per the definition set out in the section 3, failing which the Experience of such a Business Entity shall not be considered for evaluation. Any additional undertaking in this regard from the Applicant or associate company/parent company/subsidiary company (as applicable) may be sought at the RFP stage.”

Amendment 2a

Point 4 in notes to Appendix G-1 stands deleted/ removed from Eol Document - *“Financial Capability of only the Applicant shall be considered. Experience/ financial capability of associate company/parent company/ subsidiary company shall not be considered for qualification purposes.”*

Amendment 2b

The following clause has been inserted in Section 3 of EoI Document in lieu of Point 4 of Appendix G-1 – *“The Applicant shall demonstrate its eligibility criteria in terms of Financial Capability either on its own as a single Business Entity or may in addition to its financial capability (networth/turnover) aggregate financial capability of either its Parent Company or its Subsidiary Company.*

For the purpose of this document, Parent Company and Subsidiary Company shall mean any of the following:

- 1. A Business Entity which directly holds 50% or more of the paid-up equity of the Applicant. (Such a Business Entity is referred to as a “Parent Company”).*
- 2. Any Business Entity in which the Applicant holds 50% or more of its paid-up equity. (Such a Business Entity is referred to as a “Subsidiary Company”).*

The Applicant shall clearly indicate the nature of Business Entity relating to which the Financial Capability is being demonstrated and shall submit as a part of its Application a certificate from a Statutory Auditor (indicating the equity stake) clearly indicating that the Business Entity which has demonstrated the Financial Capability is a Parent Company/Subsidiary Company – as per the definition set out in the section 3, failing which the Financial Capability of such a Business Entity shall not be considered for evaluation.”

Amendment 3

The following shall be the amendment in Section 3.3.2 of the EoI Document :

“For the purpose of qualification under Development criteria, experience in terms of maximum ~~two~~ (2) four (4) projects shall be aggregated “

Amendment 4

The following shall be the amendment in Section 3 and Appendix G-1/G-2 of the EoI Document:

A. Reference year for Networth Criteria :

- Provision in EoI Document: Networth as on the last completed financial year to be considered
- Clarification to Provision : Last completed financial year (FY) could be either FY 2007-08 or FY 2006-07 for which financial statements/accounts are audited

B. Reference year for Turnover Criteria

- Provision in EoI Document : Average annual turnover of last two completed financial year to be considered
- Amendment to Provision : Average annual turnover of any two completed financial year during the last three financial years viz., 2005-06 ; 2006-07 ; 2007-08 for which financial statements/accounts are audited shall be considered

DISCUSSION 4	Additional Clarifications
Clarification to Section 3.3.3 related to Development experience in BUA	
In case the project for which the Development Experience for Urban Infrastructure Project being demonstrated by Applicant is implemented as a consortium/joint venture with some other entity/s	

and a Special Purpose Vehicle (SPV) or a Joint Venture Company (JV Company) has been formed for development/implementation of such Urban Infrastructure Project, then the experience of the Applicant for the Project shall be considered as eligible experience only if the Applicant directly held 50% or more of the paid-up equity of such a JV Company on the date of commissioning of such project. The details of such a JV Company and the role of Applicant and paid up equity stake of the Applicant in such JV Company shall be certified by its Statutory Auditor of the Applicant, failing which such experience shall not be considered.

DISCUSSION 5

Change in Land Parcel

It is hereby informed that instead of the Land Parcel at Kukatpally (30 acres) bearing survey number 1009P, a new Land Parcel at Kukatpally in the proximity of the survey number 1009P shall be offered for bidding in the RFP Stage for the present bidding process.

DILL shall endeavor to offer the Land Parcel presently indicated in the EoI Notice bearing survey number 1009P along with another adjoining land parcel of about 30 acres as a consolidated land parcel of about 60 acres in subsequent RFP documents to be issued later.

ANNEXURE

List of Participants of the Pre-Application Meeting:

Name	Designation	Company
Mr. Piyush Varshey	Consultant	L&T Infrastructure Ltd.
Mr. Anil Thomas	Sr. Deputy General Manager - Business Development	Brigade Group
Mr. Harold Liew	Finance Manager	Sunway City India Pvt. Ltd.
Mr. L. P. Tiwari	Vice President - Finance	SKIL Group
Mr. A. Sreenivas	Vice President - Projects	Indo - African Industries Pvt. Ltd.
Mr. K. V. Nagesh	Business Development Officer	Vision Ventures Ltd.
Mr. N. Prabhu Ram	Manager- Business Development	Kalpataru
Mr. Devendra Kumar Shah	Corporate Advisor	JRCS Corporate Advisor Pvt. Ltd.
Mr. Sisir K. Mishra	Corporate Advisor	JRCS Corporate Advisor Pvt. Ltd.
Mr. Jagan Mohan	Senior Manager - Corporate Services	DivyaSree Developers Pvt. Ltd.
Mr. Mustaq S. K.	Manager - Land	RMZ Group
Mr. Shyam Chandan	Sr. Manager Planning & Research	Pacifica Companies
Mr. Ravi Dodda	Director	Opus Developers & Builders Pvt. Ltd.
-	Business Analyst/advisor	Goldman Sachs, Bangalore