RESPONSES TO PRE-BID QUERIES (Part-2)

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<tr><th>S. No.</th><th>Reference Clause / Section</th><th>Clarification Sought / Suggestion by the Prospective Bidders</th><th>APIIC Response</th></tr>
<tr><td>1.</td><td>Clause 1.3 of the RFP (Volume-I) - Schedule of Bidding Process
<table><tr><td>Bid Due Date</td><td>02-11-2026, 1500 Hrs IST</td></tr><tr><td>Opening of Technical Bids submitted online on e-procurement portal</td><td>02-11-2026, 1530 Hrs IST</td></tr><tr><td>Physical Submission of Technical Bid</td><td>On or before 04-11-2026, 1530 Hrs IST</td></tr></table></td><td>We are currently carrying out a detailed investigation and design assessment in order to gather the necessary project data. Hence, we humbly request you to kindly extend the bid submission due date to 20-01-2027.</td><td>The referred clause has been amended. Kindly refer to Corrigendum-2.</td></tr>
<tr><td>2.</td><td>Clause 1.1.1 of the RFP (Volume-1)
Andhra Pradesh Industrial Infrastructure Corporation Limited (the "APIIC" or the "Authority"), a wholly owned undertaking of GoAP, hereby requests bids from interested, qualified and eligible bidders (the "Bidder(s), which expression shall, unless repugnant to the</td><td>The RFP currently specifies a land area of 20 acres. We are interested to develop into major hospitalities hub. We request to allotment of land up to 60 acres.</td><td>For the purpose of bidding, the Bidder shall consider the Project Site as 20 acres. During the Concession Period, the Authority may, at its sole discretion, consider allotment of additional land to the Concessionaire, subject to availability, applicable approvals, future market demand, Project expansion</td></tr>
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	context, include the Members of the Consortium) for the Development of International Convention & Exhibition Centre, Star Category Hotel and Allied Facilities at Kapuluppada, Visakhapatnam, Andhra Pradesh on Design, Build, Finance, Operate and Transfer (**"DBFOT"**) basis (the **"Project"**). The land for the Project admeasures approximately **20 Acre.** and is owned by the Authority and will be given on Lease to the Concessionaire, post execution of the Concession Agreement in accordance with the terms therewith. A plan of the land located at Kapuluppada Village, Visakhapatnam, Andhra Pradesh (the **"Site"**), is attached as an annexure to the draft concession Agreement (Volume II of the RFP). The proposed development shall comply with the applicable provisions of the VMRDA Master Plan- 2041, as well as the Development Controls prescribed under the Andhra Pradesh Land Development and Building Bye-Laws, 2017 (any amendments applicable thereafter). The Authority shall handover the entire site admeasuring 20 Acre. to the Concessionaire. The Authority shall, at the time of handover, deliver the land parcel to the Concessionaire with marketable title, free from encumbrances, claims, and encroachments. The		requirements, and the satisfactory performance and operational capabilities of the Concessionaire. Any such allotment shall be subject to such terms and conditions, including applicable commercial terms, as may be determined by the Authority in accordance with the prevailing policy, market conditions, and applicable laws and regulations at the relevant time.

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	Concessionaire shall be entitled to plan and utilise the permissible Floor Space Index (FSI) across the entire site in an aggregate manner subject to applicable laws and approvals		
3.	**Schedule-A of the Draft Concession Agreement (Volume-II)**	As per the conceptual design purpose required the site layouts and levels	Bidders may kindly note that the details and information pertaining to the Project Site are available at Tenders Of | APIIC i.e., *(https://apiic.in/downloads-tenders/)*.
4.	**Clause 2.2.2 (a) of the RFP (Volume-I)** **Technical Capacity:** For demonstrating technical capacity (the "Technical Capacity"), the Bidder shall, over the past 10 (ten) Accounting Years preceding the Bid Due Date, have paid for development of Eligible Project(s) in Category 1 and/or Category 2 specified in Clause 3.4.1, such that the sum total of the above, is more than INR 600,00,00,000 (Rupees Six Hundred Crore) **Clause 3.4.1 of the RFP (Volume-I)** **Category 1:** Development of an integrated real estate project comprising of a combination of (a) hospitality / commercial office complex / retail mall /residential / mixed-use purpose, and (b) a convention and/or exhibition centre	The current eligibility criteria the experience is in project development. Please consider as 'Category 3' to include contractors who have executed projects of Hotels/Hospitals/Retail Malls/Residentials with a minimum project cost of INR 500 Crore (Rupees five hundred crore) executed within the last 7 years preceding the Bid due date. We submit that there are number of EPC agencies who are willing to participate in there type of tenders and this will enhance participation.	The referred clause has been amended. Kindly refer to Corrigendum-2.

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	(not less than 1,000 person capacity). The capital cost of such project should be more than INR 150 (Rupees One Hundred Fifty Crore), excluding the cost of land. **Category 2:** Development of an integrated real estate project comprising of hospitality / commercial office complex / retail mall / residential / mixed-use purpose. The capital cost of such project should be more than INR 200 (Rupees Two Hundred Crore), excluding the cost of land. **For the purpose of this RFP:** (a) Development of a project shall mean the process of designing, construction and financing the project		
5.	**Clause 2.2.1 of the Draft Concession Agreement (Volume-II)** The Concession Period shall commence from the Effective Date and shall extend for a period of thirty-three (33) years or the earlier termination of this Agreement in terms hereof and during which the Concessionaire is authorized to implement the Project and to operate the Project Facilities in accordance with	The current lease period is specified as 33 years. We request the authority to extend the lease period to 66 years at this stage, so as to have better financial viability and better participation.	The referred clause has been amended. Kindly refer to Corrigendum-2.

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	the provisions hereof. For the avoidance of doubt, the Concession Period shall include the Construction Period. **Clause 2.2.1 (b) of the Draft Concession Agreement** At the end of the initial term of thirty-three (33) years, upon request of the Concessionaire submitted no later than twenty-four (24) months prior to expiry, the Authority shall consider granting an extension for a further period of thirty-three (33) years. Any such extension shall (i) be on terms and conditions to be mutually agreed, (ii) provide for revision of the Concession Fee and other financial obligations in accordance with the Wholesale Price Index (WPI) or such other agreed index, and (iii) be subject to the Concessionaire having complied with its obligations under this Agreement to the reasonable satisfaction of the Authority		
6.	**Clause 2.2.1 of the Draft Concession Agreement (Volume-II)** The Concession Period shall commence from the Effective Date and shall extend for a period	To increase the Concession Period from 33 years to 99 years: A project of this scale and investment would require at least 9-10 years to break-even and would not be financially	The referred clause has been amended. Kindly refer to Corrigendum-2.

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	of thirty-three (33) years or the earlier termination of this Agreement in terms hereof and during which the Concessionaire is authorized to implement the Project and to operate the Project Facilities in accordance with the provisions hereof. For the avoidance of doubt, the Concession Period shall include the Construction Period. **Clause 2.2.1 (b) of the Draft Concession Agreement** At the end of the initial term of thirty-three (33) years, upon request of the Concessionaire submitted no later than twenty-four (24) months prior to expiry, the Authority shall consider granting an extension for a further period of thirty-three (33) years. Any such extension shall (i) be on terms and conditions to be mutually agreed, (ii) provide for revision of the Concession Fee and other financial obligations in accordance with the Wholesale Price Index (WPI) or such other agreed index, and (iii) be subject to the Concessionaire having complied with its obligations under this Agreement to the reasonable satisfaction of the Authority	feasible in a 33-year period. We therefore request the Authority to increase the Concession Period to either 99 years or at least 66 years extendible on a first right of refusal basis. This is also in alignment with the AP Tourism Policy and Tourism Land Allotment Policy that provide long lease of "66 years of lease period for projects which is extendable by another 33 years" for large, mega and ultra mega projects.	

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7.	**Clause 1.2.7 of the RFP (Volume-I)** In addition to the Upfront Fees, the Concessionaire shall pay a Revenue Share as well as Annual Lease Rent, as particularly set out under the Concession Agreement and the Lease Deed, in accordance therewith. For the ease of the Bidders' reference, a snapshot for the Revenue Share payable by the Concessionaire to the Authority in accordance with the Concession Agreement is set out below: (a) A revenue share amount equal to 5% of the Gross Revenue arising out of or in relation to the Mandatory Facilities ("Mandatory Facilities Revenue Share"); (b) A revenue share amount equal to 5% of the Gross Revenue arising out of or in relation to the Allied Facilities ("Allied Facilities Revenue Share") Mandatory Facilities Revenue Share and Allied Facilities Revenue Share collectively referred to as "Revenue Share". (c) Minimum Guarantee Revenue: Minimum Guarantee Revenue (MGR) is the assured amount of revenue that a concessionaire	To reduce the revenue share of 5% of Annual Revenues to 2% of the Annual Revenues during the payback period and 3% after that for the remaining Concession Period. This industry works on thin net profit margins and are highly exposed to market risks. A 5% revenue share would disincentivize the investor and would also make the project unviable. We would therefore request for a reconsideration of the same	The provisions of the referred Clause shall prevail.

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	commits to pay to the authority, regardless of actual performance or usage levels.		
8.	**Clause 1.2.7 (d) of the RFP (Volume-I)** The Concessionaire shall pay to the Authority, an "Annual Lease Rent" at the rate of INR 130 (Rupees One Hundred Thirty) per square metre, which shall escalate by 15% at the end of every three-year period. Such fee shall be payable quarterly in advance, before the commencement of each quarter during the Concession Period, with effect from the handover of the land by the Authority to the Concessionaire.	To revise the Annual Lease Rental escalation from 15% every 3 years to 5% every 3 years. A 15% every 3 years is much above the prevalent market trends and would add to the financial burden in long-term. We request to align the same to the provisions of the AP Tourism Policy and Land Allotment Policy which provides for "Annual Lease Rent shall be enhanced by 5% in a block of every 3 years"	The provisions of the referred Clause shall prevail.
9.	**General**	To extend additional state support in terms of underwriting a minimum booking of 30 days per annum as per the applicable tariff, by planning state events or conventions at the Mandapam. This assurance would improve the bankability of the Project and would ensure we would be able to bid competitively	Bidders may kindly note that the Authority shall, on a best-efforts basis, facilitate and promote the utilization of the Convention Centre and Exhibition facility by planning and organizing suitable Government events, conventions, meetings, and other official gatherings at the Project Facility from time to time. However, Bidders shall undertake their own independent assessment of demand, market potential, and project viability while formulating their Bid.

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10.	**Clause 23.1.2 of the Draft Concession Agreement (Volume-II)** The Concessionaire acknowledges and agrees that the Authority shall be charged zero fee for its use or for the use of any other Government body of the Convention & Exhibition Centre for a period of fifteen (15) days over one or several or consecutive periods of use in every calendar year, during the term of this Agreement. The Parties agree that such fifteen (15) days in a calendar year shall be identified and intimated to the Concessionaire in writing three (3) months in advance in each case. It is hereby clarified that even a part usage of the convention hall and/or exhibition space by the Authority shall be treated as a full day usage of the Convention & Exhibition Centre for the purposes of this clause. It is further stated that the free use period for the Authority as provided in this Clause shall expire at the end of each Accounting Year and shall not be carried forward to succeeding Accounting Year(s) regardless of the actual utilisation of the free use period by the Authority.	Relax the 15--day free allotment to the Authority to either provision at the discounted rates or to reimburse at least operating expenses for such usage	The provisions of the referred Clause shall prevail.

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11.	**General**	Request to provide moratorium for Revenue Share for 2-3 years after COD to ensure revenue stability and to keep the debt-serviceability at acceptable ranges	The provisions of the referred Clause shall prevail.

Chief Engineer (North)
APIIC LTD., H.O. MANGALAGIRI