

Frequently Asked Questions (FAQ)

SN	Query	Suggestions
A	Bidding Process	
1	Who can bid?	“ Bidder ” is defined in clause 2 (II)(c) of LDHB Part-I. Subject to any modification thereof through ITB (Part-III of RFP).
2.	What are the contents of bid document?	LDHB Part I –Regulations for bids and lease agreement. LDHB Part II –General Conditions of lease agreement and Annexures. LDHB Part III –Instructions to bidders and bid forms LDHB Part IV –Special conditions of lease agreement. LDHB Part V –Schedule and specifications. Part I, II are non variable and are available on RLDA website. Part III, IV, V are variable and are site specific.
3.	What is the bid validity period?	Generally 120 days.
4.	Until when can the Bid Document be downloaded?	This information is available in NIT, subsequent amendments to NIT as well as in clause 2.3 of ITB (Part-III of RFP).
5.	Until when the bid can be submitted?	
6.	What is the bidding system for selection of developer?	Single stage Bid (Two Packets) system consisting of ‘Eligibility Proposal’, bid document fee, Security Deposit & other documents in First Packet and ‘Financial Proposal’ in Second Packet.
7.	What documents are required to be submitted in physical form?	Original payment instruments (if not paid online) in respect of Bid Security & Bid Document Fee along with Bid Form- 1 to 11 (whichever is applicable) and any other document as specified in RFP.
8.	What are the charges & procedure for participation in E-bid.	Broad instructions for online Bid submission / E-Tendering procedure/Guidelines are available in ITB (Part-III of RFP).
9.	Acceptable manner of submission of bid security & Bid Document Fee?	This information is available in clause 12.2 & 12.3 of LDHB (Part-I of RFP) and also online as per details given in ITB (Part-III of RFP).
10.	Technical and Financial Eligibility criteria?	Broad guidelines of eligibility are given in Clause 3 of ITB (Part-III of RFP). However, site specific eligibility criteria are given under Clause 4 & 5 of ITB (Part-III of RFP).
11.	I fulfill financial eligibility criteria but do not have the prescribed technical eligibility or vice-versa. In that event how can I participate in the bid?	A Consortium, as described in clause 3 & 4 of LDHB (Part-I of RFP), is permissible to participate in the bid.

12.	Requirements for participation for Consortium? In case of a JV, what will be the method of assessing the Turnover and net worth of the entity	This information is available in clause 3 & 4 of LDHB (Part-I of RFP) (Part-I of RFP).
13.	How long will it take RLDA to finalize the Technical Bid and thereafter to open and finalize the Financial Bid ?	Generally, the respective bids are finalized shortly after examining the Technical eligibility requirement and evaluation of financial bids in terms of RFP and Bid Security amount of unsuccessful bidders is also returned immediately almost within 07 days after finalization of the bid. The process of finalization is completed within the bid validity period. In case of delay, if any, due to unavoidable circumstances, the participant/eligible bidders are requested to extend the validity period of their offer on same terms and conditions.
14.	After finalization of Financial Bid, how long will it take to return the Bid Security amount of unsuccessful bidders?	Seven working days.
15.	What is the Jurisdiction of Court for any legal matters?	Delhi.
B	Agreement, SPC, PBG & Payment Schedule	
16.	Whether any success fee is payable to consultant?	Yes, for commercial sites only.
17.	What is the amount of success fee?	Generally, it is as under:- For upfront lease premium up to 10 Cr. - 1% subject to min. of 1.0 Lakh. For upfront lease premium 10-50 Cr. - 10 Lakh + 0.5% of amount by which upfront lease premium amount exceeds Rs. 10 cr. For upfront lease premium 50-100 Cr. - 30 Lakh + 0.25% of amount by which upfront lease premium amount exceeds Rs. 50 cr. For upfront lease premium >100 Cr. - 42.5 Lakh + 0.1% of amount by which upfront lease premium amount exceeds Rs. 100 Cr. subject to max. of Rs. 2 Cr.
18.	Whether the success fee is payable in one installment?	It is to be paid in two stages:- Stage I - 25% with 30 days of issue of LOA. Stage II - 75% on signing of Lease Agreement.

19.	Is the agreement signed with the selected developer?	The selected developer has to form a Special Purpose Company (SPC) for signing of agreement under Indian Companies Act, 2013. The lease agreement is signed only after payment of full amount of lease premium and Performance Bank Guarantee (PBG) or after payment of first installment and submission of BGs for subsequent installments and PBG or after payment of 1st installment and submission of PBG and opening of Escrow account for the project, as the case may be.
20.	What is the shareholding pattern in SPC?	The shareholdings of the parties in SPC can be decided by the bidder and intimated to RLDA. The bidder shall maintain Shareholding of 99.9% equity in the SPC till signing of Lease Agreement. The bidder shall hold more than 50% in the paid-up and subscribed equity share capital of the SPC till the first anniversary of the date of completion of project or till full payment of lease premium including interest, if any, whichever is later.
21.	When the SPC is to be formed?	Within 90 from the date of issue of LOA. RLDA may extend this period on reasonable grounds.
22.	What is the amount of Performance Guarantee?	5% of Lease Premium quoted by bidder.
23.	What is the time allowed for signing of agreement?	Within 120 days of issue of LOA subject to payment of 1st installment of lease premium + BG, submission of Performance Guarantee, incorporation of SPC, and payment of full success fee.
24.	What is the Schedule of the payment of Lease Premium? When installments of Lease Premium /Additional Lease Premium / Extra Lease Premium and Annual Lease Rent are payable?	Schedule of the Payment is given in Bid Form No. 12 of ITB (Part-III of RFP).
25.	Whether TDS is applicable?	No. RLDA being an authority of Union of India, is part of Govt. and TDS is not applicable on payments made by Lessee.
26.	What is the rate of interest chargeable on various installments of Lease Premium?	This information is available in Bid Form No. 12 of ITB (Part-III of RFP).
27.	Whether there is any interest free period/moratorium?	This information is available in Bid Form No. 12 of ITB (Part-III of RFP).

28.	Is any extension given for payment of lease premium?	60 days extension is allowed on payment of first installment, which can be further extended by 30 days with 3% penal interest.
29.	To what extent the payment of installments of Lease Premium can be delayed?	This information is available in the Notes given below Bid Form No. 12 of ITB (Part-III of RFP).
30.	What is Minimum Paid-Up Share Capital of SPC?	The requirement of SPC is detailed in Clause 8 of LDHB (Part-I of RFP) read with Clause 11 & 12 of ITB (Part-III of RFP).
31.	Is the Escrow Account mechanism is to be followed?	Escrow Account Mechanism is generally followed for large projects of Commercial Development.
32.	Are any taxes payable by Lessee?	From the date of taking over of possession of Land/Airspace, the Lessee shall be liable to pay all Central/State Govt. and municipal taxes, levies, import duties, fee etc.
C	Lease Period	
33.	What is the Lease period?	The details of Lease Term are given under Article 1.1.93 of GCLA (Part-II of RFP) along with relevant clause of SCLA (Part-IV of RFP) & ITB (Part-III of RFP).
34.	When does the lease period commence? Will it commence after completion of construction of the project?	Lease period commences from the 'Effective Date' i.e. the date of execution of the Lease/Development agreement provided provisions of clause 26 of LDHB (Part-I of RFP) are met with.
35.	Can the Lease Period be extended?	There is no provision for extension of Lease period.
36.	Whether Right of First Refusal shall be available?	The availability of Right of First Refusal in terms of Article 20.2 of GCLA (Part-II of RFP) is given on case to case basis as mentioned in SCLA (Part-IV of RFP)
37.	Whether the lease term is for fixed period or perpetual?	The Lease term as mentioned in ITB (Part-III of RFP) & SCLA (Part-IV of RFP) is fixed.
38.	What will happen at the end of lease term?	At the expiry of Lease term, all the assets on site and Project Utilities free from encumbrance shall be transferred to RLDA on as is where it is basis.
D	Approvals & Sanctions	
39.	Whether the plans of the project shall be approved by RLDA?	As per Article 10.1 of GCLA, Lessee shall prepare the plans for the developments on the site complying with the requirements of Agreement, Applicable Bye-laws & Applicable Permits and obtain approval of Nodal Officer (in RLDA) prior to submitting for approval by Local Authority.

40.	Who shall be the Nodal Agency/Authority for applying and obtaining the sanctions/approvals?	This is sites specific information which is available in ITB (Part-III of RFP).
41.	Whether RLDA will get the plans approved for the Developer?	No, the Selected bidder/Lessee shall be responsible to obtain necessary approvals/applicable permits from the concerned authorities, for proper execution of the Project. However, RLDA will provide help wherever required on best efforts basis. Please refer Article 2.5 & 10 of GCLA (Part-II of RFP).
42.	Extent up to which the Railways will assist in getting permissions from Local authorities? Will such assistance be made available through RLDA or through the Rly?	
43.	What will be the charges for obtaining the plans sanction/approvals & who shall bear these charges?	All Charges applicable as per local bye-laws are to be borne by the Lessee.
44.	Availability of extension on account of delay in obtaining sanction/approvals?	Extension to construction period is available as per Article 14 of GCLA (Part-II of RFP).
E	Construction Period	
45.	How much time is permissible for construction of the project? Whether the construction period is included in the Lease term?	As per article 10.3 of GCLA (Part-II) Lessee is required to complete the construction project in a period not exceeding 10 years. However, the construction period for the specified site including redevelopment portion, if any, shall be as mentioned in relevant clauses of ITB (Pt-III of RFP) & SCLA (Pt-IV of RFP). The construction period is included in the Lease term.
46.	Whether any extension to construction period of the project is admissible on account of delay in obtaining sanction/approval of plans?	Extension to construction period is to be dealt under article 14GCLA (Part-II of RFP).
47.	If any utility is formed, who will relocate the same and pay for it?	Utility diversion to be taken up by Lessee only. Cost of Utility diversion, within 3% of estimated cost of construction of project shall be borne by Lessee. If cost is more than 3%, the excess (max. up to 10% of Lease Premium) shall be borne by RLDA by corresponding reduction in Lease Premium.
48.	What are the standards for re-development works?	The specifications are given in the bid documents as per site requirements.
49.	What is the time period for re-development works?	It depends upon the quantum of Re-development works. However, total period of construction including re-development project shall be 10 years for commercial sites.

50.	For the re-development, who will take care of accommodation to displaced persons?	Developer has to provide the same at his cost.
51.	Who is the principal employer for the purpose of Industrial Act?	The Lessee.
52.	What happens if area or built up area is exceeded?	The Lessee has to pay on pro-rata basis.
53.	What happens if area or built up area is reduced due to any notification etc.?	Lessee is entitled for Pro-rata reduction in Lease Premium & Annual Lease Rent.
54.	Period of Maintenance of Mandatory works?	The details are given under Article 11.3 of GCLA (Part-II) along with relevant clause in SCLA (Part-IV) of RFP.
F	Site Handing over Schedule	
55.	Land is transferred to the developer or not?	No. The land is given to developer on lease for the fixed term.
56.	What are the development rights prior to getting Right of way to site?	After signing of agreement, lessee shall have following rights before getting ROW:- i) Planning & Designing of project; ii) Raising finances through equity and debt; iii) Appointing subcontractors.
57.	When the site will be handed over to the Selected bidder/Lessee?	As per Article 2.4 of GCLA (Part-II of RFP), Right of Way to the site shall be provided to the Lessee upon fulfillment of all the Conditions Precedent prescribed under Article 4.4 of GCLA. Normally site is handed over within 30 days after Effective Date.
58.	In case of handing over in phases, whether the lease term would change?	Lease Term shall start from "Effective Date" provided provision of Clause 26 of LDHB (Part-I of RFP) are met with.
59.	What will happen in case site handing over is delayed on Railway/RLDA's account?	Under Article 14.2.3 & 21.3 of GCLA (Part-II of RFP), Lessee is entitled to Liquidated Damages
60.	Is the area given in the tender document final?	The area is approximate. The site shall be jointly surveyed by RLDA and Lessee for arriving at actual area prior to signing of agreement.
61.	What happens in case the area of land is found varying from that offered in RFP document?	The actual area at the time of handing over of site will be taken as final and Lease Premium/ Annual Lease Rent shall be revised as per provision of Article 5.0 of GCLA (Part-II of RFP).
62.	What role does the Railway play?	Railway shall provide suitable access from surrounding Railway land for bringing utilities such as water supply, power supply and sanitation without any way and leave charges. The circular in this regard is available on RLDA

		website.
G	Marketing & Sub-Leasing	
63.	How the Lessee is allowed to arrange the finances for project?	The Lessee can enter into Financial Agreement with the Lenders. However, Lender's interests are protected by execution of the Substitution Agreement.
64.	Is the Lessee required to maintain any insurance?	Yes. The requisite insurances, as are required for Projects as per applicable laws, are to be maintained by Lessee within 45 days of effective date.
65.	When can Lessee start the marketing & sub leasing?	After certification of plans from Nodal Officer and approval of plans from concerned Govt. Authority, the Lessee shall be entitled to market any space in the Assets/Utilities through provisional letter of allotment subject to certain conditions. However, Sub lease deed as per pre-approved format of RLDA can be signed only after completion certificate.
66.	The Land is lease hold and lease is not perpetual hence the land cannot be mortgaged to bank/Financial Institutions and bank will not give any finance for the project.	Under provisions of Article 15 of GCLA (Part-II of RFP), the lessee can arrange for financing under Tri-partite Substitution Agreement. Further, as per Article 3.2, 15.7 & 15.8 of GCLA (Part-II of RFP), the Lessee shall have necessary rights to create an Encumbrance over its Lease Rights on the Site and over any of receivables due to it from project revenues (after making allowance towards all future payments by the Lessee to RLDA) in favor of its Lenders for the purpose of Financing the project with prior written approval of RLDA.
67.	For each transaction involving transfer of lease rights of the property between end users, Bank/FI shall always insist for NOC from the land owner/RLDA which should be reconsidered by RLDA.	As per Clause 13.2 (f) of GCLA (Part-II), on written request of the Sub-lessee and subject to onetime payment of Rs. 100/-per Sqm (transfer charges) of the area from such new party, Sub-Lessee can transfer the Sub-lease to another party. In this regard, Clause 13.2 (g) of GCLA (Part-II) provides for the procedure to be adopted by the Lessee to keep record of all sub-leases. Being the Lease Right holder, it is the lessee to meet the requirements of Sub-Lessee. The relevant detail is available under Article 13 of GCLA (Part-II of RFP) read with relevant clauses of SCLA (Part-IV of RFP). Since, every transfer involves payment of transfer charges of ₹ 100/-per Sqm of BUA to RLDA, NOC requirement cannot be dispensed with.

68.	Will the Lessee get total rights of development?	Yes, the Lessee gets full right of development of a particular project under provisions of RFP.
69.	Whether marketing rights are permitted in proportion to the payments made by the selected bidder/Lessee or enhanced marketing rights will be available?	Yes, marketing rights in proportion to the payments made to RLDA will be available to the Lessee in terms of Article 13 of GCLA (Part-II of RFP) read with relevant Clause of SCLA (Part-IV of RFP).
70.	As per RLDA's conditions, the constructed assets are returned back to RLDA/Railway after expiry of lease term. Banks/Financial institutions will not provide loans to the end users in such type of leasehold property without perpetual lease rights.	Considering long term lease of railway land for term (45 years and more for different projects), there shouldn't be any issue in obtaining loan by the end users. As per Article 3.2, 15.7 & 15.8 of GCLA (Part-II of RFP), Lessee is entitled for creation of Lien and/or Encumbrance on the Assets in favor of its bankers and insurers.
71.	In the Event of default by Lessee, RLDA takes possession of the entire land. Such condition will not match with RERA regulations. RERA will not register any projects which do not protect the customer's right.	In case of Lessee's event of Default, Right to Substitute the Lessee is available to the Lenders under Article 21.6 of GCLA (Part-II of RFP). Further, details regarding Substitution & Termination payment are available in Article 22 of GCLA (Part-II of RFP). However, it is the responsibility of the Lessee to avoid any such Event of default to prevent the termination.
72.	Can the completion certificate be taken in parts? Plan will be made for complete land?.	In this regard Local building bye laws shall be applicable. Please also refer Clause 9.6 of GCLA (Part-II of RFP)
73.	Right to Mortgage land to banks/FI for fund raising.	In terms of Article 3.2, 13.2, 15.7 & 15.8 of GCLA (Part-II of RFP), Lessee is permitted to create an Encumbrance over its Lease Rights on the Site and over any of receivables due to it from project revenues (after making allowance towards all future payments by the Lessee to RLDA) in favor of its Lenders for the purpose of Financing the project with prior written approval of RLDA. In this regard relevant clauses of SCLA (Part-IV of RFP) may also be referred.
74.	When the right to commence commercial operations are provided?	After the issue of completion/Provisional Completion Certificate by Nodal Officer of RLDA and occupancy certificate from concerned State Govt. Authorities, if applicable.

DISCLAIMER: THE TENDER CONDITIONS VARY FROM SITE TO SITE AND THE SAME ARE MENTIONED IN THE TENDER DOCUMENT OF THE PARTICULAR SITE WHICH SHALL PREVAIL.
