

**Response to Queries raised on Pre Bid Meeting for tender held on 26 Dec 2019 for Setting up of Silk City at Bahadurpur, Bhagalpur, Bihar**

<i>Sl</i>	<b>Pre Bid Question</b>	<b>Response</b>
1	Does “As Is Where Is” mean lessee is offered the plot in its present condition, with no changes to its current physical status, and lessee accepting the lease with all the defects? If the answer is no, please provide the explanation.	As per Point no 1.9 of RFT of RFT
2	Does “As Is Where Is” means lessee has to accept the liabilities of Bihar Spun Silk Mills? (Yes or no). Please provide clarification.	No, There will be no transfer of Liability of Bihar Spun Silk Mills to Lessee.
3	Who owns the liabilities (if any), of Bihar Spun Silk Mill? BSIDC or Lessee?	BSIDC.
4	What will be terms of renewal of contract at the end of 30 years?	The term of Lease as per Point no 4 of Term Sheet of RFT may be considered as <b>45 Years</b> and <b>Minimum Reserves Price</b> as per point no 18 of Term Sheet may be considered at <b>Rs. 11.25 Crores for 45 Years</b>
5	Will the new management be liable for providing employment to the erstwhile workers of the now defunct Bihar Spun Silk Mills Ltd or their heirs there off? Yes or No.	No.
6	Should a tree fall of natural causes after the lease begins, who owns the right to dispose of the wood? BSIDC or Lessee?	BSIDC
7	Currently the buildings on the premise are two floors. Is this the limit under any provision? Can the new management make multi-storied building to suit the business needs for the furtherance of the Silk City? Yes or No?	As per point no 21 of Term Sheet of RFT
8	The current structure on the land is around 60 years old. Should a structural study of the structure recommend the grazing of	As per point no 21 of Term Sheet of RFT

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	the building a new structure be built, can the new management take this decision for the safety of the workers and equipments being housed in the structure? Yes or No?	
9	As per a ruling by the High Court,” notwithstanding the period fixed in the lease the expectation of the parties was that the lease will continue as long as the rent is paid.” (AIR 1971 Ker 295). In the light of such interpretation of extendable industrial lease, is it possible to look at the possibility of a 90 years lease instead of 30 years? This will provide stability to the business and encourage the investors to procure better financial backing, only helping the socio-economic aims of the government?	As per point no 4 of Term Sheet of RFT and as mentioned above.
10	In Note-6 on folio page 10 it is stated “The Leased is offered on basis are on “as is where is basis”. On this area the successful Applicants are expected to carry out all works/temporary fit-outs, as needed for operation of Land and Project Unit on its own cost.” It explicitly excludes ‘Permanent Structures’. Does it mean, we have to run silk factory, raw material storage, produced finished product storage, logistics, hostels, training centers in temporary structures? If the answer is no, kindly change this in the addendum.	As per point 21 of Term Sheet of RFT
11	Who holds the rights to any Intellectual Property generated by the business conducted at leased land after lease termination? BSIDC or Lessee?	As per Agreement

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12	<p>a) Does it mean all the BSIDC passes the buck to lessee?</p> <p>b) Does Lessee has to assume all the risk including the risks posed which comes with the ownership of project, land and risks of doing business?</p> <p>c) I understand BSIDC requires the lessee to secure all the permissions. Does BSIDC understands and acknowledges the environmental concerns presented about the proposed Bihar Silk Spun Mill Premises?</p> <p>d) Does BSIDC agree to address the concerns, detrimental to the success of objective as led in the RFT (Silk city for Bhagalpur) in the lease agreement?</p>	<p>a) Only Business Risk and Reward passes to Lessee and any liabilities arising after the agreement with BSIDC.</p> <p>b) Includes all arising after the agreement passes to Lessee</p> <p>c) Point no 24 of Term Sheet of RFT</p> <p>d) As per Agreement</p>
13	<p>Who owns the existing or any liability of lien in the name of Bihar Silk Spun Mill Ltd?</p>	<p>BSIDC</p>
14	<p>a) There are several conditions in the terms of tender invitation. Will BSIDC review certain conditions on merit basis and ready for amendment at the time of agreement?</p> <p>b) Does BSIDC agree to address the guaranteed or extended lease terms in the lease agreement to provide enough cushion to investors to achieve RFT objective?</p> <p>c) Proposed land with several limitations including environmental and economic prospects of Bhagalpur region and silk industry need capital investment and ensure</p>	<p>a) As per RFT and Agreement</p> <p>b) As per Point of 4 of Term Sheet of RFT and as mentioned above in point no 4 of this document.</p> <p>c) As per Point of 4 of Term Sheet of RFT as mentioned above in point no 4 of this document.</p>

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	<p>long term lease to ensure financial and business success. Will BSIDC consider extended lease term which can be approved after review of success of project?</p> <p>d) Is BSIDC okay to create SPV with BSIDC as nominee on board of selected bidder for a year to ensure commencement of project. Once the project commencement signs off 90 years lease can be approved?</p>	<p>d)As per agreement.</p>