

Line of credit to support construction – Navi Mumbai Metro Line 1		
Tender No. CIDCO/CAO/Loan_NMM/2020-21 (Navi Mumbai Metro Line 1)		
Sr. No.	Bidder's Clarification	CIDCO's Reply
1	During the moratorium period will interest be serviced?	<i>Interest will not be served during Moratorium Period and be financed by IDC from Bank.</i>
2	Will prepayment of the Loan be made by Own funds or project cashflows	<b>Own Sources and Project Cash Flows</b>
3	Can we look into the conditional bid term in the tender as loan terms bid are under conditional approval till disbursement	<i>Rate of interest should not be conditional. Regulatory norms for loan processing will not be considered as conditions for this purpose</i>
4	Is bidding allowed only on MCLR or is base rate allowed as well?	<i>Allowed on both Rate of interest quoted by the Bank/FI's/Merchant Bankers is to be fixed for a minimum period of 3 months</i>
5	Is external director allowed in the corporation?	<b>No</b>
6	Is the Spread fixed over the entire tenure?	<i>Spread should be fixed over the entire tenure of the loan</i>
7	Will there be any default escrow/ debt service reserve amount in the form of a Liquidity shortfall security to be kept with the bank of an amount equal to payments for 1 quarter apart from land mortgaged?	<i>As per the regulatory requirement In PMAY RERA regulatios will be governing the account. Accordingly, we have to keep 70% of surplus amount in these accounts.</i>
8	Is there any land acquisition cost?	<b>Not Applicable</b>
9	Will Metro Line 1 assets be Hypothicated?	<b>No.</b>
10	Since Cash flow is incoming in the securitized accounts of water and services kept with the bank, what is the need for the 5 years moratorium in Navi Mumbai Metro Line 1? Can we look into not having any moratorium for the same	<i>As per tender condition.</i>
11	What are the Initial charges which will not be included in the final rate calculation? Will Stamp Duty, registration, etc. be counted ?	<i>All other charges other than interest rate should be in initial charges.</i>
12	Can you give detail on the role of MAHA Metro in Navi Mumbai Metro	<i>MahaMetro is the implementing agency on behalf of CIDCO.</i>

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13	Will Arbitration be separate?	<i>As per the requirement of Arbitration and Conciliation Act, 1996</i>
14	Can Metro Assets be securitized in addition to the 2 accounts already being provided?	<i>No</i>
15	When Prepayment is being paid from the internal Sources there is no prepayment charge involved. However, payment made through any other source is chargeable	<i>As per tender condition</i>
16	In the case I submit my bid on a particular date and the MCLR is different on the date the bid is opened, which rate will be considered?	<i>As per tender condition</i>
17	Will the spread be fixed over the entire tenure?	<i>Yes</i>
18	In the event the 2 accounts securitized for NM Metro Line 1 are not sufficient, how will the shortfall be overcome?	<i>Only if it is found that there is a shortage in repayment funds in the 2 accounts securitized will other suitable security be identified for consideration.</i>
19	Are merchant bankers allowed?	<i>Yes</i>
20	Whether joint/consortium bids can be submitted?	<i>Yes</i>
21	We understand from the Bid Document that this process is for obtaining In-principle sanction and requisite information about the Project, CIDCO, revenue sources for securitisation etc. shall be shared for detailed assessment before Banks approach to sanctioning authority for final sanction. Please confirm the same.	<i>Yes confirmed</i>
22	The tender document says that conditional bids will not be accepted. However, In-principle approvals typically come with conditions such as subject to detailed assessment and subject to final sanction by sanctioning authorities. We understand that these conditions will be acceptable	<i>Yes accepted</i>

*S. J. M.*



23	Please clarify that fees and pricing quoted by the bidders will not include expenses towards Lenders' Legal Counsel, Lenders' Independent Engineer, Stamp Duty, Registration charges and other charges customary for transaction of this nature. These charges are normally borne by the Borrower	<i>All fees are to be considered under initial charges for final interest rate calculation</i>
24	What will be the revenue streams available as security package for the Term Loan?	<i>Revenue stream identified for Metro will be available only for Metro Loan</i>
25	Please clarify that whether moratorium (principal / interest) would be required in case repayment of the Term Loan is through securitization of revenue streams?	<i>yes required - As per tender condition</i>
26	Please clarify if the spread over MCLR/Repo Rate quoted, should be fixed over the entire tenure of the Term Loan	<i>Yes to be fixed</i>
27	For Metro Rail Scheme, whether any tangible security or collateral would be available in addition to Securitization of Receivables from water charges and service charges, as generally insisted in long-term funding of similar metro projects, such as indicated below: a.Hypothecation of equipments, rolling stock etc. b.Assignment of contracts and insurance policies during tenure of loan c.Charge on book assets of the borrower d.Mortgage of alternative immoveable assets, other than project property e.Lien or charge on Fixed Deposits	<i>a. No B. No c. No d. No e. No If required other than recurring account Securitization being provided, other suitable security may be identified for consideration.</i>
28	Any additional safeguards for repayment would be available for long-term project funding of Metro Rail as in similar projects such as: a.Escrow account with two quarters balance for principal & interest servicing. b.Default escrow mechanism on main collection account of borrower c.Escrow of revenues of the metro rail upon commencement of operation	<i>(a) No (b) No. As mentioned in tender conditions, it will be secured by 2 accounts. Although, if it is found after finalisation of rate of interest that there is a shortage in financing, an additional account can be provided only if it is required. (c) No</i>



29	Whether loan tenure of 15 years indicated for Metro rail project is inclusive of moratorium period of 5 years?	<b>Yes</b>
30	Whether Interest during Construction Period (IDCP) during the moratorium would be serviced by the Borrower from own internal resources or funded by the loan?	<b><i>IDC is to be funded by the loan</i></b>
31	Whether Marketing charges, Administration & Supervision (A&S) charges, Provision for Escalation are included as part of project cost?	<b>Yes</b>
32	Whether funding for the projects exclude expenditure on land cost / land acquisition charges and any arbitration award / decrees on further compensation?	<b>Yes</b>
33	Whether Nominee director of lender on the Board of borrowing institution / SPV to safeguard lender's interests as per norms of financing institutions would be allowed for the instant projects.	<b>No</b>
34	Whether it is obligatory to provide a fixed rate of interest for entire tenure of loan or whether it could be linked to the 1-year MCLR or Repo rate or Base rate / Reference rate of the lending institution with a spread? Financial institutions generally do not follow MCLR linked rate of interest; but could provide rebate in rate of interest during sanction based on credit rating of the borrower.	<b><i>It can be fixed or can be linked to various mentioned reference.</i></b>
35	As per norms, Prepayment charges are not levied in case of prepayment from the project revenues or sources as envisaged in the cashflow; however it is levied in case of debt swap or take-over of loan by other banks or financial institutions.	<b>No prepayment charges applied as per tender norms</b>

*Sharma*

36	The initial charges indicated in the bid format would include only application fees and front-end fees. All other incidental charges after sanction such as valuation fees, advocate fees for due diligence, stamp duty and registration charges for loan documentation, insurance premium for mortgaged /hypothecated assets over tenure of loan, Lenders' Engineer (LIE) or Lenders' Auditor Fees etc. shall be applicable and borne by the borrower.	<b><i>All fees are to be considered under initial charges for final interest rate calculation</i></b>
37	Although it is indicated that in-principle bid shall be unconditional, any sanction conditions as stipulated by the competent authority of lender shall be binding on the borrower for the loan sanctioned.	<b><i>Noted. As per regulatory requirements</i></b>

  
 CAO - CIDCO