

GLOBAL EXPRESSION OF INTEREST

SELECTION OF MANAGEMENT PARTNER FOR SUPER LUXURY TOURIST TRAIN, PUNJAB

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Abbreviations

BOT – Build Operate and Transfer

DG Sets – Diesel Generator Sets

EOI – Expression of Interest

GoP – Government of Punjab

IL & FS IDC – IL & FS Infrastructure Development Corporation Ltd

INR – Indian Rupees

IR – Indian Railways

IRR – Internal Rate of Return

MOU – Memorandum of Understanding

NPV – Net Present Value

PHTPB – Punjab Heritage and Tourism Promotion Board

PIDB – Punjab Infrastructure Development Board

RFP – Request for Proposal

USD – US Dollar

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BACKGROUND:

Punjab Heritage and Tourism Promotion Board (PHTPB) envisages to run a Super Luxury Tourist Train covering tourist attractions in Punjab and neighbouring States e.g. Amritsar, Agra and Jaipur; and with optional chartered tours within India. The project is supported by grants from

Government of India and Government of Punjab. In addition, Indian Railways will be providing bare shell of the train. The luxury train would comprise air-conditioned luxury coaches of 5-star plus category and related facilities including restaurant and kitchen coaches, bar cum lounge, 180° Observation Coach, Spa cum Gym Coach and Staff Coach. Punjab Heritage and Tourism Promotion Board (PHTPB) invites applications from reputed national and international bidders who meet the criteria laid down below, in order to select a competent party who would take up the management of the luxury train for a period of 20 years.

BROAD SCOPE OF WORK:

1. Designing, detailing and furnishing of interiors to meet 5-Star standards
2. Marketing of the project in both national and international markets
3. Operation and Management of services for provision of on-board and off-board facilities. It should be noted that movement of the train and rolling stock maintenance during this period shall be the responsibility of Indian Railways.
4. Sharing of revenues and payment of due charges to PHTPB

QUALIFICATION CRITERIA:

Any Bidder who has experience in India or Abroad of **any one** of the following criteria would be deemed to meet the technical experience criterion for qualification:

1. Hotel operators with minimum of 3 years experience in 5-Star Category hotels/Heritage Hotels/Resorts, Luxury Cruise Liners etc. and having a minimum Total Income of 20 million USD or INR 80 crores in each of the last three financial years*.
2. Entities having minimum experience of 3 years in management of comprehensive on-board services in luxury tourist trains and having a minimum Total Income of 10 million USD or INR 40 crores in each of the last three financial years*

3. Travel & tour operators with minimum Total Income of 10 million USD or INR 40 crores in each of the last three financial years* and having minimum experience of 5 years in promotion of destinations, tour & travel, hospitality services. However, such operators would be required to have procured tie-ups with major hospitality operators like 5-Star Hotels/Heritage Hotels/Resorts, Luxury Cruise Liners etc. and those meeting the Criterion 1 as set out above, for management of train services within six (6) months after signing of the Concession Agreement with PHTPB

4. Investors / Developers/ Corporate entities having minimum Total Income of 75 million USD or INR 300 crores in each of the last


three financial years* shall be exempted from the above experience criteria provided such entities procure Joint Venture/ tie-ups with major hospitality operators like 5-Star Hotels/Heritage Hotels/Resorts, Luxury Cruise Liners etc and those meeting the Criterion 1 as set out above, for management of train services within six (6) months after signing of the Concession Agreement with PHTPB..

* 2005-06, 2006-07, 2007-08 (For international players, the financial year under consideration could be the corresponding calendar year)

SELECTION OF MANAGEMENT PARTNER

PHTPB shall shortlist the applicants based on the criteria specified above. Request for Proposal (RFP) document for selection of Management Partner for the luxury train will be issued only to the shortlisted applicants. PHTPB also has the right to reject any or all the applications without assigning any reasons thereof. The Expression of Interest (Eoi) and relevant manuscripts are to be submitted to the undersigned on or before 19th February 2009 by 17:00 hours. Interested Bidders will have to demonstrate the above criteria while submitting their Expression to Interest (Eoi) with relevant support documents to prove their technical & financial experience qualification. Notice for Expression of Interest (Eoi) for the luxury train can be downloaded from the website www.ilfsindia.com and www.pidb.org or can be obtained from the undersigned.



 Infrastructure Development Corporation Limited

IL&FS Infrastructure Development Corporation Ltd

159 Sector 27A, Chandigarh 160019

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Member Secretary
Punjab Heritage & Tourism Promotion Board
3, Sector 38 A, Chandigarh 160038,
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Declaration by the Authorized Signatory

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as "the Applicant"), and having reviewed and fully understood all of the pre-qualification requirements and information provided, the undersigned hereby express our interest in the development of the above project apply for qualification for the Project referred above.

We are enclosing our Expression of Interest in one Original Copy with the details as per the requirements of the document for your evaluation.

The undersigned hereby also declares that the statements made and the information provided by us in this Expression of Interest are unconditional and complete, true and correct in every detail and accept that any misinterpretation contained in it may lead to our disqualification.


Yours faithfully,

(Signature of Authorised Signatory)

(Name, Title and Address of the Applicant)

Details to be submitted by the Applicant/Bidder

(Ref: Advertisement published in newspapers on (January 16, 2009))

1. Name of Project	Super Luxury Tourist Train, Punjab
2. Date of EOI Advertisement	January 16, 2009
3. Last date for receipt of EOI	February 19, 2009, 1500 hrs IST at the Office of IL&FS Infrastructure Development Corporation Limited Kothi No 159, Sector 27 A Chandigarh 160019
4. Name of the Applicant	M/s
5. Details of the Applicant	<ul style="list-style-type: none"> • Country of Incorporation • Address of the corporate headquarters and its branch office (s), if any, in India • Date of incorporation and / or commencement of business • Management- Prominent positions • Shareholding pattern
6. Brief Description of Line of Business	<p>A brief summary to be attached as annexure. Corresponding supporting evidence to be cited in Experience Criterion below (Para 8)</p> <p>Description should cover the following</p> <ol style="list-style-type: none"> 1. Line of business 2. Countries of operation 3. Total experience in this line of business (years) 4. Important relevant projects undertaken and commissioned, with details of project size and year of commissioning 5. In case of operational contracts of relevance (e.g. Luxury train operations, travel & tours) the duration of such contracts 6. Projects under progress, if any, with likely date of commissioning
7. Contact Persons for Clarifications	<p>Surbhi Soni, Senior Officer Dr. Navendu Karan, Asst. Vice President</p> <p> IL&FS Infrastructure</p> <p>IL&FS Infrastructure Development Corporation Ltd # 159 Sector 27A, Chandigarh – 160019 Tel: (91) 172 264-0775 , Fax: (91) 172 264-0776</p>

Disclaimer

1. Neither GoP/PHTPB nor their employees or consultants make any representation or warranty as to the accuracy, reliability or completeness of the information in this EOI. Each prospective Bidder should conduct his own investigations and analysis and check the accuracy, reliability and completeness of the information in this EOI and obtain independent advice from appropriate source before submission of this EOI and later RFP if short-listed.
2. Neither GoP/PHTPB nor their employees or consultants will have any liability to any prospective Bidder or any other person under the law of contract, for any loss, expense or damage which may arise from or be incurred or suffered in connection with anything contained in this EOI
3. PHTPB reserves the right to reject any or all of the EOIs submitted in response to this EOI Document at any stage without assigning any reasons whatsoever. PHTPB also reserves the right to hold, or withdraw or cancel the process at any stage under intimation to the Bidders who submit the EOI.
4. PHTPB also reserves the right to modify or amend or add to any or all of the provisions of this EOI document or cancel the present Invitation and call for fresh Invitations. Such changes would be with prior intimation on the web.
5. Neither PHTPB nor their employees or consultants will have any liability in case of non-receipt of any correspondence from them to the bidders due to the postal delays.
6. The applicable laws for the purpose are the laws of India. Courts of Punjab will have jurisdiction concerning or arising out of this EOI document.
7. The bidders are expected to know the relevant rules and regulations applicable for this project.

Project Note - Super Luxury Train, Punjab

Punjab, with its magnificent cultural heritage, palaces, Gurudwaras and bountiful natural resources has tremendous potential in the tourism sector. Punjab State Government has already commenced several initiatives to give a boost to this sector. A prime initiative is a proposal to introduce a Super Luxury Tourist Train that would showcase the unique tourist attractions of Punjab and neighboring States, while providing a captivating travel experience for the tourists.

North India's most spectacular destinations including **Agra, Jaipur, New Delhi, Amritsar etc.** are proposed to be covered through a super luxury train to be run by Punjab Heritage and Tourism Promotion Board (PHTPB). Indian Railways (IR) will provide adequate support for operation and maintenance of the train. In this regard, a Memorandum of Understanding (MoU) between Government of Punjab and Ministry of Railways has already been signed on October 1, 2008.

The operation and management of on-board and off-board facilities is expected to be done by a reputed Management Partner selected through a competitive bidding process. The Project is proposed to be developed on BOT basis by the Management Partner for a concession period of 20 years. During the concession period, the management partner would be required to share a part of the revenue with PHTPB, which would most likely be the bidding parameter under the process.



Composition of Super Luxury Train

The tentative composition of the Super Luxury Train would be as follows:

The luxury train would comprise air-conditioned luxury coaches of 5-star plus category, and related facilities including restaurant and kitchen coaches, bar cum lounge, 180° Observation Coach, Spa cum Gym Coach and Staff Coach. The exact composition and design of the interiors of the luxury train would be decided by the Management Partner in consultation with PHTPB. The objective is to create an environment of super-luxury to attract high-end tourists.



Passenger coaches: Luxuriously furnished air-conditioned passenger coaches. Each coach shall be lavishly decorated and with high in-built functionality including luggage space, comfortable furniture, electric points, modern shower/bath facilities, viewing gallery, etc.

Lounge Cars: The lounge cars are proposed to house a games room, a beauty saloon, an ayurvedic massage parlour, a health club (with shower & change facilities) and a general lounge area. Also to be included in a lounge car are a library (with a collection of books, CDs & DVDs), a computer centre with modern communications facilities including internet and facsimile, a curio shop and a big lounge area (furnished with a Home theatre and ample sitting space).

Restaurant-cum-kitchen coaches: Restaurants would be multi-cuisine and would have relaxed seating arrangement. One of the restaurant cars would contain a well-equipped bar.

Attractions for the Management Partner

The luxury train project holds major attractions for the Management Partner, not only in terms of project viability but also in terms of flexibility in designing the train components, and its operations and marketing so that it can be an important vehicle to enhance brand value among elite national and international tourists.

Main attractions in the project working arrangement are:

1. Management Partner will have the freedom (in consultation with PHTPB) to use its brand name as part of the name of the Super Luxury Train. e.g. "XYZ Luxury Train of Punjab". The name shall be finalized by the Management Partner in consultation with PHTPB such that it reflects the objective of the train.
2. Complete interiors, including soft and hard furnishings, will be decided by the Management Partner. Design and composition of the luxury train will also be decided by the Management Partner in consultation with PHTPB.
3. Management Partner will have the freedom (in consultation with PHTPB) to decide the itinerary based on demand assessment.
4. Option to run chartered tours on the Indian Railway network in the country.
5. Flexibility in ticket pricing based on market demand and cyclical/seasonality factors
6. Flexibility in marketing strategy or offering tourist packages/ promotions for marketing the train in both domestic and international market
7. PHTPB would act as a nodal agency for the Management Partner for any project-related requirements. PHTPB will be responsible for project-specific dealings with Indian Railways through an independent agreement which would be shared with the Management Partner. Similarly, suitable notification will be issued by Indian Railways on behalf of PHTPB.

Main USPs of the project are:

1. While the final route and itinerary will be decided in consultation with the Management Partner, tentatively the train is envisaged to cover key attractions in North India. These include places of historic interest like New Delhi, Jaipur, Agra, Patiala and Amritsar; and places of religious interest like Anandpur Sahib, Amritsar, Kurukshetra and Dharmshala. Its circuit covers the northern plains and also includes a section that passes through the mighty Himalayas.
2. There is a significant Punjabi population settled overseas. This segment can be targeted along with foreign tourists.
3. Management Partner can also target corporate houses within India and abroad by designing chartered tours for them.

Financial Attractions:

1. The project would be funded / supported by grants from Government of India and Government of Punjab. In addition, Indian Railways is providing bare shells for coaches and 50% cost of DG sets. As per our estimates, the capital investment required from the Management Partner would be only about 20% of the project cost estimated by us.
2. Our preliminary estimates indicate attractive IRR and NPV

Schedule of Bidding Process

