

**Queries & Replies – Marine Park, Ponnani, Malappuram, Kerala**

SL NO	Queries	Reply
1	<b>Limitations of the Location:</b> Ponnani is a small, developing town with limited transportation connectivity— accessible only by road, with no direct railway, airport, or inland waterway facilities. While the area holds potential, it cannot be directly compared with established hubs like Thiruvananthapuram, Kochi, or Kozhikode in terms of tourist flow or commercial activity. The expectations from the tender must be proportionate to the region's infrastructure and economic profile.	The aforementioned considerations have been taken into account while defining the scope of the project.
2	<b>Intention to Generate Local Employment:</b> The primary objective of our proposal is to generate livelihood opportunities for the local population. This includes jobs in hospitality, wellness tourism, cultural experiences, and support services. A supportive policy environment with feasible financial commitments will enable us to make long-term social investments in skill	The employment generation has already been envisaged.

	development and sustainable employment. A flexible and region-sensitive framework is essential to fulfil this social development goal.	
3	<b>Environmental and CRZ Permissions:</b> High cost and Complexity securing clearances from the Environmental Impact Assessment Authority and compliance with Coastal Regulation Zone (CRZ) norms involves significant expenses, extended timelines, and complex approval procedures. These permissions are mandatory before commencing construction and can often take months, if not longer, to obtain. The financial burden included consultancy charges, environmental studies, application fees, and compliance costs. This additional investment needs to be factored into the overall project economics, and adequate flexibility must be provided in timelines and initial financial commitments.	<p>The permits and clearances applicable depend upon the type of the project proposed.</p> <p>Development control is under CRZ 2, KMB will provide support for getting various approvals/ sanctions wherever required.</p>
4	<b>High Bank Interest and Lack of Subsidy:</b> Financing such a large-scale project is extremely challenging due to very high bank interest rates and the	KMB is not providing any subsidy or financial support for the execution of the project.

	<p>absence of any subsidy or financial support scheme for coastal tourism projects. This significantly increases the cost of capital and repayment pressure on the investor. Without an initial concession period or relaxation in financial obligations, the burden of interest makes the project unviable for private investors, particularly in a developing location like Ponnani</p>	
5	<p><b>Seasonal Business Disruption Due to Sea Erosion:</b></p> <p>During the monsoon months of June, July, and August, Ponnani Beach is significantly affected by sea erosion, rendering business operations non-viable for almost a quarter of the year. This natural constraint must be factored into both revenue projections and operating conditions.</p>	<p>Seasonal revenue variations have been considered while preparing the tender document.</p>
6	<p><b>Revenue Sharing Amount:</b> The proposed annual revenue share of <b>₹25,00,000</b> (Rupees Twenty-Five Lakhs) is financially unsustainable given the current and expected tourist footfall in the region. We respectfully propose a more realistic amount of ₹10,00,000 (Rupees Ten Lakhs), particularly during</p>	<p>Since the RFP has already been notified, the request for reconsideration for reduction of Revenue Share cannot be considered at this stage.</p>

	the initial years when operations and footfall are being established.	
7	<b>License Fee and Tenure:</b> The license fee of <b>₹3,50,000</b> (Rupees Three Lakhs Fifty Thousand) per annum is considerably high for a project in this location. We suggest a revised fee of <b>₹1,50,000</b> (Rupees One Lakh Fifty Thousand) with a nominal increase of 5% every five years, rather than annually. Further, considering the scale of investment required to make this a viable and high-quality tourism destination, we request that the lease period be set at a minimum of 50 years. A shorter tenure does not provide adequate security or return on investment for the development being planned.	The license fee has been worked out based on the rates approved by the Govt of Kerala. So, the reduction of the same from KMB's side cannot be considered legally.
8	<b>Bank Guarantee Terms:</b> The clause requiring an unconditional and irrevocable bank guarantee is too stringent in the context of a high-risk tourism investment in a developing location. Instead, we propose a phased performance security of 5%, linked to project milestones and implementation phases. This will ensure both accountability and financial	The scope of revision shall be deliberated and changes, if any, shall be published as corrigendum.

	manageability. This is a more practical and industry standard approach.	
9	<b>Escrow Account Requirement:</b> The condition to operate through an escrow account is not feasible for us, as it significantly restricts financial flexibility and may delay day-to-day operations and reinvestments.	Escrow Account is mandatory as per the PPP framework.
10	<b>Powers Given to Private Engineer:</b> The role and powers assigned to the Private Engineer, as outlined, are extensive and could potentially lead to operational and contractual disputes. We suggest clear limitations and definitions of the engineer's authority to maintain transparency and avoid conflicts.	Independent Engineer is mandatory as per the PPP framework.
11	<b>Scope Changes and Liquidated Damages:</b> Any unilateral change in the construction scope should not be permitted without mutual agreement, as it can disrupt financial and operational planning. Additionally, we request clarification regarding the liquidated damages clause, to ensure it is fair, specific, and not open to misinterpretation.	The provision for change in scope is based on mutual consideration only. Clause 6.8 of the Concession Agreement details on the same.

12	<p><b>First-Three Year Fee and Revenue Waiver:</b> To support the initial investment and setup phase, we request that both the <b>first three year's license fee and revenue share be waived.</b> This grace period will help establish operations, build footfalls, and stabilize the business.</p>	<p>The waiver of License fee cannot be considered.</p> <p>Revenue share is to be paid to the authority after the commercial operations date.</p>
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