



# Request for Proposal Document

Invitation of Bids for Punjab State on-line Lotteries

Director Lotteries, Finance Department,  
Punjab Government  
SCO 106-108, Sector 17-D, Chandigarh

## Request for Proposal

Setting up and managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own (BOO) basis

## Volume I: Instructions to the Bidders

Issued by:

Government of Punjab

## TABLE OF CONTENTS:

S. No.	Contents	Page No.
	Disclaimer	6
	Definitions	8
	Schedule of Bidding Process	10
	Contents of Request for Proposal Document	11
1	Introduction	12
	1.1 Preamble	12
	1.2 Brief description of Bidding Process	14
	1.3 Schedule of Bidding Process	17
2	Instructions to Bidder	18
	2A General	18
	2.1 Scope of Bid	18
	2.2 Eligibility of Bidder	18
	2.3 Change in composition of the Consortium	25
	2.4 Number of Bids and costs thereof	25
	2.5 Site visit and verification of information	25
	2.6 Acknowledgement by Bidder	26
	2.7 Right to accept or reject any or all Bids/ Bids	26
	2B Documents	28
	2.8 Contents of the RFP	28
	2.9 Clarifications	28
	2.10 Amendment of RFP	29
	2C Preparation and Submission of Bid	29
	2.11 Language	29
	2.12 Format and signing of Bid	29
	2.13 Sealing and marking of Bids	30
	2.14 Bid Due Date	32
	2.15 Late Bids	32
	2.16 Modifications/ substitution/ withdrawal of Bids	32
	2D Evaluation Process	33
	2.17 Opening and Evaluation of Bids	33

2.18	Confidentiality	33
2.19	Tests of responsiveness	34
2.20	Clarifications	35
2E	Qualification and Bidding	35
2.21	Short-listing and notification	35
2.22	Submission of Bids	35
2.23	Proprietary data	35
2.24	Correspondence with the Bidder	35
2.25	Validity of Bids	36
2F	Bid Security	36
2.26	Bid Security	36
3	Criteria for Evaluation	37
3A	Qualification Phase	37
3.1	Evaluation parameters	37
3.2	Technical Capacity for purposes of evaluation	37
3.3	Evaluation of Technical Bid submitted by bidders applying through the High Net Worth Route	38
3.4	Financial information for purposes of evaluation	38
3.5	Short-listing of Bidder	38
3B	Financial Proposal Phase	38
3.6	Opening & Evaluation of Financial Proposals	38
3.7	Selection of Bidder	39
3.8	Contacts during Bid Evaluation	39
4	Fraud and Corrupt Practices	39
5	Pre-Bid Conference	41
6	Miscellaneous	41
	Appendices	43
I	Letter Comprising the Bid for Pre-Qualification	
	Annex – I Details of Bidder	
	Annex – II Financial Capacity of Bidder	
	Annex – III Format for Statutory Auditor’s certificate for certifying Technical Capacity	
	Annex – IV Statement of Legal Capacity	

- II      Format for Power of Attorney for signing of Bid
  - III     Format for Power of Attorney for Lead Member of Consortium
  - IV     Format for Joint Bidding Agreement for Consortium
  - V      Letter Comprising the Financial Offer
  - VI     Format of Bid Security Bank Guarantee
- Annexure-I Revenue from Lotteries

## Disclaimer

The information contained in this Request for Proposal (the "RFP") document or subsequently provided to the Bidders, whether verbally or in documentary or any other form by or on behalf of the Authority or any of its employees or advisors, is provided to the Bidders on the terms and conditions set out in this RFP document and any other terms and conditions subject to which such information is provided.

This RFP document is not an agreement and is neither an offer nor invitation by the Authority to the prospective Bidders or any other person. The purpose of this RFP document is to provide interested parties with information that may be useful to them in making their offers (Bids) pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This RFP may not be appropriate for all persons, and it is not possible for the Authority and their employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contain in the Bidding documents may not be complete, accurate, adequate or correct. Each Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFP and obtain independent advice from appropriate sources. Each Bidder should seek its own professional advice on the legal, financial, regulatory and taxation consequences of entering into any agreement or arrangement relating to the proposed Project.

Information is supplied on a wide range of matters in the RFP document, some of which depends upon interpretation of law. The information given is not an exhaustive account of statutory and Agency requirements and should not be regarded as a complete or authoritative statement of the law. The Authority accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Authority also accepts no liability for any loss or damage of any nature whether resulting from negligence, or otherwise, howsoever caused, arising from reliance of any person upon the statements contained herein.

The Authority reserves the right to change or cancel the RFP Document or any part thereof at any time and/or to reject all bids without assigning any reason thereof.

Bidders should note that statutory provisions related to lotteries may change at any time and the Authority does not take any responsibility for the damages/consequences caused there from.

Individual Bidders are required not to disclose their response to the RFP Document in any manner or form, whether wholly or in part, to any party, unless required to do so by law or by statutory enactment, without the prior written consent of the Authority. If disclosure is required by law or statutory enactment, the fact of the disclosure should be intimated to the Authority immediately.

## Definitions

1. Act The Lotteries (Regulation) Act, 1998 (Central Act No., 17 of 1998);
2. Agency The act of being a Distributor/Selling Agent.
3. Agency License Fee Agency License Fee shall mean the fee payable by the Selected Bidder to the Authority in accordance with the terms of this RFP Document & Draft Agency Agreement.
4. Authority Wherever the State Government has issued an order/ notification, etc. describing who the Authority shall be, there the Authority shall be that/ those person/s and everywhere else Authority shall mean Director Punjab State Lotteries or the Deputy Director Punjab State Lotteries, if the Director Punjab State Lotteries in writing authorizes Deputy Director to act as an Authority on his behalf.
5. Bid Any valid/ invalid response to this RFP Document.
6. Bidder/s A natural person, private entity, government-owned entity or any combination of them, who submits a bid..
7. Central Rules The Lottery (Regulation) Rules, 2010 as amended from time to time.
8. Designated Authority As declared under the Central Rules.
9. Director Directorate of Lotteries, Government of Punjab.
10. Distributor/Selling Agent A party as defined under the Indian Contract Act, 1872 read with the definition of Distributor/Selling Agent under the Punjab State Lotteries Rules, 2010 framed under The Lotteries (Regulation) Act, 1998 and Lotteries (Regulation) Rules 2010, of Central Government as amended from time to time.
11. Government The Government of the State of Punjab in the Department of Finance.
12. Members of Consortium Each natural person or legal entity which forms part of the consortium shall be known as member of consortium.
13. Minimum Guaranteed Revenue As set forth in Clause 1.2.5
14. On-Line Lottery On-Line Lottery System proposed to be set up by the Government through the Director Punjab State Lotteries.



15. Parent Any person holding 50 % or more of equity/share in the concern or any person having control over the management of the concern.
16. Point of Sale Shall mean and include any physical space/ location/ retail outlet having a network of computer terminals or such other devices as authorized by the Authority for enabling a player to purchase ticket/s for playing lottery.
17. Prize Money The prize amount payable to a prize winning ticket in a lottery draw.
18. RFP Document Invitation to apply which will allow eligible parties/ bidders to respond to stake their claim to act as Distributor/Selling Agent on behalf of the Government of the State of Punjab to run the On-Line Lottery System.
19. Selected Bidder As defined in clause 1.2.6
20. Services As defined in the Agency Agreement.
21. State The State of Punjab or the territorial area enclosed by the boundaries of the State of Punjab as the context may require.
22. State Rules The Punjab State Lotteries Rules as amended from time to time.
23. Tender and Monitoring Committee A Tender and Monitoring Committee set up by the State Government for evaluating the Bids received and for considering the matters relating to On-Line Lottery.
24. Rules The Lotteries (Regulation) Rules, 2010 and the Punjab State Lottery Rules amended from time to time.

## Schedule of Bidding Process

The tentative bidding schedule is as under:

Activity	Timeline
Notice inviting tender uploaded on website and published in papers	28 September 2014
Deadline for submitting queries on tender and pre-bid meeting at SCO-106-108, Batra Building, Sector 17D, Chandigarh	1500 Hours on 7 October 2014
Sending replies to queries through email by Directorate (after approval from appropriate authority)	14 October 2014
Deadline for submission of proposal by hard-copy by bidders at SCO-106-108, Batra Building, Sector 17D, Chandigarh	1600 Hours on 28 October 2014
Opening of proposals (outer envelope) by officials of Directorate at SCO-106-108, Batra Building, Sector 17D, Chandigarh	1630 Hours on 28 October 2014
Issue of request for clarification about technical proposal by Directorate to bidders through email	3 November 2014
Deadline for submission of response by bidders through email	1600 Hours on 5 November 2014
Submission of technical tender evaluation report by consultant, M/s. Ernst & Young LLP	6 November 2014
Decision on technically qualified bidders by tender evaluation committee at the office of Chief Secretary, Govt. of Punjab	Tentatively at 1500 Hours on 7 November 2014 (Final date shall be intimated to all eligible bidders later)
Opening of financial bids at the office of Chief Secretary, Govt. of Punjab	Tentatively at 1600 Hours on 7 November 2014 (Final date shall be intimated to all eligible bidders later)

Note: - Department will have the discretion to change / alter time limits in view of administrative requirement. Interested bidders can be in touch with O/o Directorate Punjab State Lotteries to take information about changes.

## Contents of the Document

- Volume-I: Instructions to Bidders
- Volume-II: Draft Agency Agreement
- Volume-III: Schedules to the Agency Agreement

## Instructions to Bidders

### (Volume I)

#### 1. INTRODUCTION

##### 1.1 Preamble

1.1.1 The Government of Punjab, Department of Finance, through Directorate of Punjab State Lotteries, the official lottery of the Punjab Government, seeks to provide clean transparent lottery to the lottery playing citizens, thus curbing illegal activities like satta, matka etc. The Punjab State Lotteries are conducted under the provisions of the Act, and the Rules made thereunder as amended from time to time.

1.1.2 In order to further provide a legal online platform to the lottery playing public, the State Government intends to introduce On-line Lottery System in the State of Punjab through Public Private Partnership (the "PPP") on Build, Own and Operate (BOO) basis (hereinafter referred to as the "Project"). With this focus, Government of Punjab through the Authority intends to engage a private sector partner with appropriate expertise and experience for designing, setting up and operating the On-line Lottery System in the State.

1.1.3 The present revenue from the lottery business is mentioned in Annexure-1. The On-Line Lottery System is envisaged to offer lottery games played through a network of computer terminals or such other devices as may be approved by the Authority with the terminals connected to a main data centre at a central headquarter to be located at any place within India with the prior approval of the Authority. For this purpose, the Authority intends to select and appoint a Distributor/ Selling Agent through the present bidding process. The Authority shall enter into contract/ Agency Agreement with the Selected Bidder. In terms of the Agency Agreement, the Selected Bidder shall be authorized and made entitled to hold twenty four (24) draws per day during the contract period of three (3) years (the "Agency Period"). The Selected Bidder shall be authorized to set up 1,700 (seventeen hundred) Point of Sale across the State of Punjab. The location of each Point of Sale shall be strictly governed by the applicable Excise Policy of the Government of Punjab for "Location of Liquor vends", as amended from time to time.

The Scope of Work of the Selected Bidder shall inter-alia include the following activities which are essentially required for setting up, operating and managing the On-Line Lottery System in the State of Punjab:

- design and procure;
- install and commission;
- operate and maintain;
- promote and market; and
- carry out any other activities with the prior written consent of the Authority.

The detailed Scope of Work is provided in the Draft Agency Agreement (Vol.II).

The Selected Bidder shall be responsible for carrying out the aforesaid activities during the Agency Period in accordance with the provisions of the Agency Agreement to be entered into between the Selected Bidder and the Authority in the form provided by the Authority as a part of this RFP Document pursuant hereto. The Agency Agreement set forth the detailed terms and conditions for grant of the Agency to the Selected Bidder, including the scope of the Selected Bidder service and obligation.

- 1.1.4 Subject to the limitation set forth in Clause 1.1.3 with regard to location of Point of Sale, the Selected Bidder will be free to choose any location for setting up/ acting as the Point of Sale from where the lottery gaming facilities are to be made available through a network of sub-agents and/ or retailers. The On-Line Lottery System to be set up and operated by the Selected Bidder would involve setting up of central information and processing centre by the Selected Bidder, which shall be connected on-line to all the outlets using the state-of-the-art communication network. The aforesaid centre will control the operations and ensure fair lottery gaming. The Selected Bidder shall be free to set up its central information and processing systems in accordance with its current business practices at any place in India to be finalized with the prior approval of the Authority, whilst providing any-time read-only-access to the Authority or its appointed agent/s. The On-line Lottery in the State of Punjab shall be organised, conducted, operated and regulated as per the provisions of the Act and the Rules made thereunder.
- 1.1.5 The bidders shall be selected as per the procedure laid down herein by the Authority.
- 1.1.6 The Authority will select the Selected Bidder through a competitive bidding process. Responses to this RFP Document, including the Financial Offers and other information provided by the bidders would be evaluated to select the Selected Bidder. At the end of the evaluation process, the Authority shall select and declare the Selected Bidder and issue a Letter of Award (LoA) to it. The Selected Bidder shall form a separate Special Purpose Vehicle (SPV) company under the Companies Act, 2013 who shall sign the Agency Agreement on behalf of the Selected Bidder within 30 (thirty) days from the date of receipt of the LoA and also undertake and perform the obligations and exercise the rights of the Selected Bidder under the LoA.
- 1.1.7 Through this selection process, the Authority will attempt to ensure that -
  - (i) all parties related to the Distributors/Selling Agents are fit and proper so that activities pertaining to the On-Line Lottery System are conducted with all due propriety; and
  - (ii) Revenue to the Government is maximised, since it is to be channelized for the development of the state and social welfare activities of the Government.
- 1.1.8 The Selected Bidder shall be appointed as the Distributor/ Selling Agent of the Authority (the "Project Agent") to perform the functions mentioned in Clause 1.1.3

above for the Agency Period to be reckoned from the date of sale of first ticket which will be within 60 days of the signing of the Agency Agreement.

1.1.9 In consideration of the respective Agency rights being granted by the Authority to the Selected Bidder, in terms of the Agency Agreements, the Selected Bidder shall pay to Authority the "Agency License Fee" as defined in the Agency Agreement. The Agency License Fee shall be higher of the following two amounts :

(i) Minimum Guaranteed Revenue as tabulated in Schedule 'I' to this Agreement;

OR

(ii) 50% of the Net Sales (i.e. Gross Sales - Payouts)

1.1.10 The Agency License Fee determined on the above basis shall payable by the Selected Bidder in the mode and manner laid down in the Draft Agency Agreement.

1.1.11 Foreign Direct Investment ("FDI") is not permitted in lotteries, as per the extant Foreign Direct Investment Policy.

1.1.12 The statements and explanations contained in this RFP Document are intended to provide a better understanding to the Bidders about the subject matter of this RFP Document and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the Selected Bidders set forth in the Agency Agreement or the Authority's rights to amend, alter, change, supplement or clarify the scope of work, the Agency to be awarded pursuant to this RFP Document or the terms thereof or herein contained (the "Bidding Documents"). Consequently, any omissions, conflicts or contradictions in the Bidding Documents including this RFP Document are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by Authority.

1.1.13 Authority shall receive Bids pursuant to this RFP Document in accordance with the terms set forth in this RFP Document and any other documents to be provided pursuant to this tender, as modified, altered, amended and clarified from time to time by Authority, and all Bids shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Bid (the "Bid Due Date").

1.2 Brief description of Bidding Process

1.2.1 The Authority has adopted single stage two phase Bidding Process for selecting the Selected Bidder. The first phase of single stage (the "Qualification Phase") of the process would involve pre-qualification of interested Bidders in accordance with the

provisions of Clause 3. At the end of the Qualification Phase, the Authority will shortlist Bidders who are eligible for participation in the second phase of the single stage (the "Financial Proposal Phase") in accordance with the provisions of Clause 3. The Bids shall be valid for a period of not less than 180 days from the date specified in Clause 1.3 for submission of bids.

The RFP Document comprises of three volumes:

- Volume I: Instruction to Bidders; and
- Volume-II: Draft Agency Agreement
- Volume III: Schedules to the Draft Agency Agreement

The RFP Document can be either downloaded from the website of the Authority i.e. [www.punjabstatelotteries.gov.in](http://www.punjabstatelotteries.gov.in) or may be purchased from the office of the Authority. At the time of procuring the Bidding Documents from the Authority, the Bidder shall pay to the Authority a sum of Rs. 5,00,000/- (Rupees Five Lakhs Only) as non-refundable cost of the Bidding Documents (the "Bid Processing Fee"). At the time of submitting the Bid, the Bidder will submit the receipt of the Bid Processing Fee paid to the Authority. In case, the RFP Document is downloaded from the website, then the Bidder will pay a sum of Rs. 5,00,000/- (Rupees Five Lakhs Only) as non-refundable cost of the Bidding documents during the submission of the Bid. The payment of Bid Processing Fee shall be made through demand draft in favor of "Director Punjab State Lotteries" payable at Chandigarh.

- 1.2.2 In the Qualification Phase, Bidders would be required to furnish all the information as specified in Volume I (Instruction to Bidders) of the RFP Document or any other document provided by Authority. Only those Bidders that are pre-qualified and short-listed by Authority shall be eligible for the Financial Proposal Phase.
- 1.2.3 In the Financial Proposal Phase, the financial offer (the "Financial Offer") submitted by the Bidders will be evaluated. The Financial Offer shall be submitted by the Bidder as hard copy (Appendix-V) on or before the Bid Due Date as specified in Clause 1.3.
- 1.2.4 A Bidder is required to deposit, along with its Bid, an earnest money of Rs. 5,00,00,000/- (Rupees Five Crores only) (the "Bid Security"), not refundable until the award of the project or 60 (sixty) days from the Bid Due Date, whichever is earlier except in the case of the Selected Bidder whose Bid Security shall be retained till it has provided Performance Security under the Agency Agreement. The Bidder shall deposit the Bid Security in the form of an unconditional and irrevocable Bank Guarantee from a scheduled bank in favor of "Director Punjab State Lotteries" payable at Chandigarh as per the format appended as Appendix 'VI'. The validity period of the Bank Guarantee, shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be

extended as may be mutually agreed between the Authority and the Bidder. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.

1.2.5 Bids are invited for the Project on the basis of the Minimum Guaranteed Revenue payable to the Authority during the Agency Period (the "Bid Variable"). The Minimum Guaranteed Revenue shall mean and include such amounts payable to the Authority from the date of sale of first lottery ticket in accordance with the provisions of the Draft Agency Agreement, determined in the following manner :

- (a) for the first year - higher of Rs.150 Crores being the reserve price for the first year or the amount quoted by the bidder over and above the reserve price of Rs. 150 Crores in its Financial Offer;
- (b) for the second year - higher of Rs.200 Crores being the reserve price for the second year or 110% of the Minimum Guaranteed Revenue derived as per sub-clause (a) above for the first year of the Agency Period;
- (c) for the third year - higher of Rs.225 Crores being the reserve price for the third year or 110% of the Minimum Guaranteed Revenue derived as per sub-clause (b) above for the second year of the Agency Period.

1.2.6 Generally, the Bidder who quotes the highest Minimum Guaranteed Revenue (the "Highest Bidder") over and above the amount of Rs.150 Crores which is the reserve price for the first year of the Agency Period shall be declared as the selected Bidder (the "Selected Bidder"). The remaining Bidders shall be kept in reserve and may, in accordance with the process specified in Clause 1.2.8 of this RFP, be invited to match the Bid submitted by the highest Bidder in case such highest Bidder withdraws or is not selected for any reason. In the event that none of the other Bidders match the Bid of the highest Bidder, the Authority may, in its discretion invite fresh Bids from all Bidders or annuls the Bidding Process, as the case may be.

1.2.7 In case two or more Bidders have quoted the same amount of Minimum Guaranteed Revenue (the "Tie Bidders") then the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.

1.2.8 In the event that the Highest Bidder withdraws or is not selected for any reason in the first instance (the "first round of bidding"), the Authority may invite all the remaining Bidders to revalidate or extend their respective Bid Security, as necessary, and match the Bid of the aforesaid Highest Bidder (the "second round of bidding"). If in the second round of bidding, only one Bidder matches the Highest Bidder, it shall be the Selected Bidder. If two or more Bidders match the said Highest Bidder in the second round of bidding, then the Bidder whose Bid was higher as compared to other Bidder(s) in the first round of bidding shall be the Selected Bidder. For



example, if the third and fifth highest Bidders in the first round of bidding offer to match the said Highest Bidder in the second round of bidding, the said third highest bidder shall be the Selected Bidder.

1.2.9 In the event that no Bidder offers to match the Highest Bidder in the second round of bidding as specified in Clause 1.2.8, the Authority may, in its discretion, invite fresh Bids (the "third round of bidding") from all the Bidders except the Highest Bidder of the first round of bidding, or annul the Bidding Process, as the case may be. In case the Bidders are invited in the third round of bidding to revalidate or extend their Bid Security, as necessary, and offer fresh Bids, they shall be eligible for submission of fresh Bids provided, however, that in such third round of bidding only such bids shall be eligible for consideration which are higher than the Bid of the second highest Bidder in the first round of bidding.

1.2.10 Any queries or request for additional information concerning this RFP Document shall be submitted in writing or by e-mail to the officer designated in Clause 2.13.3 below. The envelopes/ communications shall clearly bear the following identification/ title:

Queries/ Request for Additional Information: RFP for "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own (BOO) basis".

1.3 Schedule of Bidding Process

The Authority shall endeavor to adhere to the following schedule:

Tentative Schedule for bidding process

Activity	Timeline
Notice inviting tender uploaded on website and published in papers	28 September 2014
Deadline for submitting queries on tender and pre-bid meeting at SCO-106-108, Batra Building, Sector 17D, Chandigarh	1500 Hours on 7 October 2014
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Opening of financial bids at the office of Chief Secretary, Govt. of Punjab	Tentatively at 1600 Hours on 7 November 2014 (Final date shall be intimated to all eligible bidders later)

Note: - Department will have the discretion to change / alter time limits in view of administrative requirement. Interested bidders can be in touch with O/o Directorate Punjab State Lotteries to take information about changes.

## 2. INSTRUCTIONS TO BIDDERS

### 2A. GENERAL

#### 2.1 Scope of Bids

2.1.1 The Authority wishes to receive Bids for Qualification Phase in order to short-list experienced and capable Bidders, and if short-listed then the Bidders become eligible to participate in the Financial Proposal Phase.

#### 2.2 Eligibility of Bidders

2.2.1 For determining the eligibility of Bidders for their pre-qualification hereunder, the following shall apply:

(a) The Bidders for pre-qualification may be a natural person, private entity, government-owned entity or any combination of them (the "Consortium") with a formal intent to enter into an agreement or under an existing agreement to form a Consortium. However, no Bidder applying individually or as a member of a Consortium, as the case may be, can be member of another Bidder. The term Bidder used herein would apply to a natural person or a single entity or a Consortium. In case of Joint Ventures and Consortium no more than five (5) entities are allowed. A Consortium shall be eligible for consideration subject to the conditions set out in Clause 2.2.6 below.

(b) A Bidder shall not have a conflict of interest (the "Conflict of Interest") that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall

be disqualified. A Bidder shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:

- (i) the Bidder, its Member or Associate (or any constituent thereof) and any other Bidder, its Member or any Associate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding of a Bidder, its Member or an Associate thereof (or any shareholder thereof having a shareholding of more than 25% (twenty five per cent) of the paid up and subscribed share capital of such Bidder, Member or Associate, as the case may be) in the other Bidder, its Member or Associate is less than 25% (twenty five per cent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in section 4A of the Companies Act, 2013. For the purposes of this Clause 2.2.1 (c), indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the "Subject Person") shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and (bb) subject always to sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% (twenty six per cent) of the subscribed and paid up equity shareholding of such intermediary; or
- (ii) a constituent of such Bidder is also a constituent of another Bidder; or
- (iii) such Bidder, or any Associate thereof receives or has received any direct or indirect subsidy, grant, Concessional loan or subordinated debt from any other Bidder, or any Associate thereof or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Bidder, its Member or any Associate thereof; or
- (iv) such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
- (v) such Bidder, or any Associate thereof has a relationship with another Bidder, or any Associate thereof, directly or through common third party/ parties, that puts either or both of them in a position to have access to each others' information about, or to influence the Bid of either or each other; or

- (vi) Such Bidder or any Associate thereof has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.
  
- (c) A Bidder shall be liable for disqualification if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Bidder, its Member or any Associate thereof, as the case may be, in any manner for matters related to or incidental to the Project during the Bidding Process or subsequent to the (i) issue of the LOA or (ii) execution of the Agency Agreement. In the event any such adviser is engaged by the Selected Bidder, after issue of the LOA or execution of the Agency Agreement for matters related or incidental to the Project, then notwithstanding anything to the contrary contained herein or in the LOA or the Agency Agreement and without prejudice to any other right or remedy of the Authority, including the forfeiture and appropriation of the Bid Security or Performance Security, as the case may be, which the Authority may have there under or otherwise, the LOA or the Agency Agreement, as the case may be, shall be liable to be terminated without the Authority being liable in any manner whatsoever to the Selected Bidder for the same. For the avoidance of doubt, this disqualification shall not apply where such adviser was engaged by the Bidder, its Member or Associate in the past but its assignment expired or was terminated 6 (six) months prior to the date of issue of this RFP Document. Nor will this disqualification apply where such adviser is engaged after a period of 1 (one) year from the date of signing of the Agency Agreements.

*Explanation:*

In case a Bidder is a Consortium, then the term Bidder as used in this Clause 2.2.1, shall include each Member of such Consortium.

2.2.2 To be eligible for pre-qualification and short-listing, a Bidder shall fulfill the following conditions of eligibility:

- (A) Technical Capacity: For demonstrating technical capacity and experience (the "Technical Capacity"), the Bidder should possess experience of organizing lottery in the capacity of a Distributor/ Selling Agent/ Technology Provider for at least one year preceding the Bid Due Date and should also have minimum gross turnover of Rs. 1,000 crore during any one financial year since FY 2008-2009.
  
- (B) Financial Capacity: The Bidder shall have a minimum Networth\* of Rs 100 crore as on 31.03.2014 (the "Financial Capacity") as per the latest audited annual report and balance sheet statements.

\*Networth shall mean Networth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off +

reserves not available for distribution to equity shareholders). Further Networth in case of a Consortium would be computed as weighted average.

Illustration:

For illustration and avoidance of any doubts, the following method is placed in clarification:

If Company A (Net Worth: Rs 100 Crores) & Company B (Net-Worth: Rs 50 Crores) in a Consortium with a shareholding of A as 60% and B as 40% then the Weighted Financial Score of the Consortium shall be:

For Weighted Financial Score  
 $100 \times 60\% + 50 \times 40\% = 80$  Crores

In case of a Consortium, the combined financial capacity and net worth of those members, who have and shall continue to have an equity share of at least 10% (ten per cent) each in the SPV, should satisfy the above conditions of eligibility; provided that each such member shall at all times during the Agency Period hold equity share capital not less than 10% (ten per cent) of the subscribed and paid up equity of the SPV;

The combined Technical Capacity shall be considered on a cumulative basis for Technical Evaluation.

- 2.2.3 High Net Worth Route : The prospective Bidder including its Associates having a gross annual turnover of Rs. 1,000 Cr. and a minimum Net worth of Rs. 200 crores as on 31.03.2014; and in the case of a newly incorporated company (companies incorporated in less than 1 year before the Bid Due Date), having Net worth of Rs. 250 crores (inclusive of the networth of its Associates) will be exempted from meeting the above stated "Technical Capacity" criteria. However, such Bidder shall have to demonstrate this Networth independently, without forming a Joint Venture or Consortium (the "High Net Worth Route").

The formulae for computation of Networth of the Bidder shall be the same as provided in Clause 2.2.2 (B) above.

- 2.2.4 The Bidder shall enclose with its Bid, to be submitted as per the format at Appendix-I, complete with its Annexes, the following:
- (i) Certificate(s) from its statutory auditors<sup>1</sup> specifying the minimum gross turnover of the Bidder from lottery business. The statutory auditor's

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<sup>1</sup> In case duly certified audited annual financial statements containing explicitly the requisite details are provided, a separate certification by statutory auditors would not be necessary in respect of Clause 2.2.4 (i). In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Applicant may provide the certificates required under this RFP.

certificate shall be as per the format provided in Annex – III of Appendix - I;  
and

- (ii) Certificate(s) from its statutory auditors specifying the Net worth of the Bidder as on March 31, 2014, and also specifying that the methodology adopted for calculating such net worth conforms to the definition of Net worth provided in Clause 2.2.2(B). The statutory auditor’s certificate shall be as per the format provided in Annex – II of Appendix – I.
- (iii) Relevant Experience in organising lottery as per the attached format provided in Annex – III of Appendix – I, duly certified by the statutory auditors of the Bidder (*not applicable in case of Bidder applying through the High Net worth Route*).

2.2.5 The Bidder should submit a Power of Attorney as per the format at Appendix-II, authorising the signatory of the Bid to commit the Bidder. In the case of a Consortium, the Members should submit a Power of Attorney in favour of the Lead Member as per format at Appendix-III.

2.2.6 Where the Bidder is a natural person or a single entity, it will be required to form an appropriate Special Purpose Vehicle, incorporated under the Indian Companies Act, 2013 (the “SPV”), to execute the Agency Agreement and implement the Project. In case the Bidder is a Consortium, it shall, in addition to forming an SPV, comply with the following additional requirements:

- (a) Number of members in a consortium shall not exceed 5 (five) and information sought in the Bid may be provided for all members in the order of their equity contribution; a member should have an equity stake of at least 10% to be considered as a part of the Consortium;
- (b) subject to the provisions of sub clause (a) above, the Bid should contain the information required for each member of the Consortium;
- (c) members of the Consortium shall nominate one member as the lead member (the “Lead Member”), who shall have an equity share holding of at least 51% (fifty one per cent) of the paid up and subscribed equity of the SPV. The nomination(s) shall be supported by a Power of Attorney, as per the format at Appendix-III, signed by all the other members of the Consortium;
- (d) the Bid should include a brief description of the roles and responsibilities of individual members, particularly with reference to financial and technical obligations;

- (e) an individual Bidder cannot at the same time be member of a Consortium applying for the Bid. Further, a member of a particular Bidder Consortium cannot be member of any other Bidder/ Consortium applying for the Bid;
- (f) the members of a Consortium shall form an appropriate SPV to execute the Project, if awarded to the Consortium;
- (g) members of the Consortium shall enter into a binding Joint Bidding Agreement, substantially in the form specified at Appendix-IV (the "Jt. Bidding Agreement"), for the purpose of making the Bid. The Jt. Bidding Agreement, to be submitted along with the Bid, shall, *inter alia*:
  - (i) convey the intent to form an SPV with shareholding/ ownership equity commitment(s) in accordance with this RFP Document, which would enter into the Agency Agreement and subsequently perform all the obligations of the Selling Agent/ Distributor in terms of the Agency Agreement, in case the Project is awarded to the Consortium;
  - (ii) clearly outline the proposed roles and responsibilities, if any, of each member;
  - (iii) commit the minimum equity stake to be held by each member;
  - (iv) commit that each of the members, whose experience will be evaluated for the purposes of this RFP Document, shall subscribe to 10% (ten per cent) or more of the paid up and subscribed equity of the SPV;
  - (v) commit lead member of the Consortium undertakes that it shall hold at least 51% (fifty one per cent) of the subscribed and paid up equity of the SPV at all times during the Agency Period;
  - (vi) commit that each co-member of the Consortium shall at all times during the Agency Period maintain their equity share capital as committed in the Joint Bidding Agreement, in the subscribed and paid up equity share capital of the SPV;
  - (vii) include a statement to the effect that all members of the Consortium shall be liable jointly and severally for performance of all the obligations of the Selected Bidder in relation to the Project in accordance with the Agency Agreement.

and

- (h) except as provided under this RFP Document, there shall not be any amendment to the Jt. Bidding Agreement without the prior written consent of the Authority.
- 2.2.7 Any natural person or entity which has been barred by the Central/ State Government or any entity controlled by it, from participating in any PPP project, and the bar subsists as on the date of Bid would not be eligible to submit a Bid, either individually or as member of a Consortium. Further, the earnest money or any kind of security deposit of the Bidder should not have been forfeited by the Central/ State Government or any entity controlled by it. The Bidder should give an undertaking to this effect in its Bid.
- 2.2.8 A Bidder including any Consortium Member or Associate should, in the last 5 (Five) years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial Authority or a judicial pronouncement or arbitration award against the Bidder, Consortium Member or Associate, as the case may be, nor has been expelled from any project or contract by any public entity nor have had any contract terminated by any public entity for breach by such Bidder, Consortium Member or Associate. The Bidder should give an undertaking to this effect in its Bid.
- 2.2.9 A Bidder including any Consortium Member or Associate in the last 5 (Five) years, should not have been declared insolvent or should have winding up petition pending or threatened against it. It should not have been charged with perjury. The Bidder should give an undertaking to this effect in its Bid.
- 2.2.10 In computing the Technical Capacity and Financial Capacity of the Bidder/ Consortium Members under Clauses 2.2.2, 2.2.3 and 3.2, the Technical Capacity and Financial Capacity of their respective Associates would also be eligible hereunder.

For purposes of this RFP Document, Associate means, in relation to the Bidder/ Consortium Member, a person who controls, is controlled by, or is under the common control with such Bidder/ Consortium Member (the "Associate"). As used in this definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law.

- 2.2.11 The following conditions shall be adhered to while submitting a Bid:
- (a) Bidders should attach clearly marked and referenced continuation sheets in the event that the space provided in the prescribed forms in the Annexes is



insufficient. Alternatively, Bidders may format the prescribed forms making due provision for incorporation of the requested information;

- (b) information supplied by a Bidder (or other constituent Member if the Bidder is a Consortium) must apply to the Bidder, Member or Associate named in the Bid and not, unless specifically permitted, to other associated companies or firms;
- (c) in responding to the Qualification Phase, Bidders should demonstrate their capabilities in accordance with Clause 3.1 below; and
- (d) in case the Bidder is a Consortium, each Member should substantially satisfy the pre-qualification requirements to the extent specified herein this RFP Document.

2.2.12 Notwithstanding anything to the contrary contained herein, in the event that the Bid Due Date falls within three months of the closing of the latest financial year of a Bidder, it shall ignore such financial year for the purposes of its Bid and furnish all its information and certification with reference to the year preceding its latest financial year. For the avoidance of doubt, financial year shall, for the purposes of a Bid hereunder, mean the accounting year followed by the Bidder in the course of its normal business.

### 2.3 Change in composition of the Consortium

2.3.1 Change in the composition of a Consortium will not be permitted by the Authority during the Bidding process.

### 2.4 Number of Bids and costs thereof

2.4.1 No Bidder shall submit more than one Bid for the Project. A Bidder applying individually or as a member of a Consortium shall not be entitled to submit another Bid either individually or as a member of any Consortium, as the case may be.

2.4.2 The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the Bid Process. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

### 2.5 Site visit and verification of information

Bidders are encouraged to submit their respective Bids after visiting and ascertaining for themselves the site conditions, location, surroundings, availability of power and

other utilities for carrying out its obligations under this RFP Document including the Agency Agreement, applicable laws and regulations, and any other matter considered relevant by them.

## 2.6 Acknowledgement by Bidders

### 2.6.1 It shall be deemed that by submitting the Bid, the Bidder has:

- (a) made a complete and careful examination of this RFP Document;
- (b) received all relevant information requested from Authority;
- (c) accepted the risk of inadequacy, error or mistake in the information provided in this RFP Document or furnished by or on behalf of Authority relating to any of the matters referred to in Clause 2.5 above;
- (d) agreed to be bound by the undertakings provided by it under and in terms hereof;
- (e) satisfied itself about all matters, things and information including matters referred to in Clause 2.5 hereinabove necessary and required for submitting an informed Bid, execution of the Project in accordance with the Bidding Documents and performance of all of its obligations there under; and
- (f) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Bidding Documents or ignorance of any of the matters referred to in Clause 2.5 hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Authority, or a ground for termination of the Agency Agreement by the Selected Bidders.

### 2.6.2 The Authority shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the RFP Document or the Bidding Process, including any error or mistake therein or in any information or data given by the Authority.

## 2.7 Right to accept or reject any or all Bids

### 2.7.1 Notwithstanding anything contained in this RFP Document, the Authority reserves the right to accept or reject any Bid and to annul the Bidding Process and reject all Bids, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor. In the event that the Authority rejects or annuls all the Bids, it may, in its discretion, initiate re-bidding process by inviting fresh Bids for the project.

2.7.2 The Authority reserves the right to reject any Bid if:

- (a) at any time, a material misrepresentation is made or uncovered, or
- (b) the Bidder does not provide, within the time specified by Authority, the supplemental information sought by the Authority for evaluation of the Bid.

If the Bidder is a Consortium, then the entire Consortium may be disqualified/ rejected. If such disqualification/ rejection occurs after the Bids have been opened and the highest Bidder gets disqualified/ rejected, then the Authority reserves the right to:

- (i) invite the remaining Bidders to match the highest Bidder; or
- (ii) take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process.

2.7.3 In case it is found during the evaluation or at any time before signing of the Agency Agreement or after its execution and during the period of subsistence thereof, including the Agency thereby granted by the Authority, that one or more of the pre-qualification conditions have not been met by the Bidder/ Selected Bidder or the Bidder/ Selected Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet selected and appointed as the Project Agent on behalf of the Authority either by issue of the LoA or entering into the Agency Agreement, and if the Bidder/ SPV has already been issued the LoA or has entered into the Agency Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP Document, be liable to be terminated, by a communication in writing by the Authority to the Bidder/ Selected Bidder, without the Authority being liable in any manner whatsoever to the Bidder/ Selected Bidder. In such an event, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy which the Authority may have under the Bidding Documents including the Agency Agreement or under applicable law.

2.7.4 The Authority reserves the right to verify all statements, information and documents submitted by the Bidder in response to this RFP Document. Any such verification or lack of such verification by the Authority shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Authority there under.

2.7.5 Any condition or qualification or any other stipulation contained in the Bid shall render the Bid liable to rejection as a non-responsive Bid.

2.7.6 All the documents including this RFP Document provided by Authority are and shall remain or become the property of the Authority and are transmitted to the Bidders

solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause 2.7.6 shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders, and Authority will not return to the Bidders any Bid, document or any information provided along therewith.

## 2B. DOCUMENTS

### 2.8 Contents of the Request for Proposal

2.8.1 This RFP Document comprises the disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.10.

Volume I:	Instruction to Bidders
Volume-II:	Draft Agency Agreement
Volume-III:	Schedules to the Draft Agency Agreement

2.8.2 The Draft Agency Agreement provided by the Authority as part of the Bidding Documents shall be deemed to be part of this RFP Document.

### 2.9 Clarifications

2.9.1 Bidders requiring any clarification on the RFP Document may notify the Authority in writing or by e-mail in accordance with Clause 1.2.10. They should send in their queries before the date specified in the schedule of Bidding Process contained in Clause 1.3. Authority shall endeavor to respond to the queries within the period specified therein, but no later than 10 (ten) days prior to the Bid Due Date. The responses will be sent by the Authority by fax/ e-mail to all purchasers of the RFP Document and/or upload on the Authority's website ([www.punjabstatelotteries.gov.in](http://www.punjabstatelotteries.gov.in)) without identifying the source of queries.

2.9.2 Authority shall endeavor to respond to the questions raised or clarifications sought by the Bidders. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.

2.9.3 Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by Authority shall be deemed to be part of this RFP Document. Verbal clarifications and

information given by Authority or its employees or representatives shall not in any way or manner be binding on Authority.

## 2.10 Amendment of RFP

2.10.1 At any time prior to the deadline for submission of Bid, the Authority may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFP Document by the issuance of Addenda.

2.10.2 Any Addendum thus issued will be sent in writing to all those who have purchased this RFP Document and/ or uploaded on the website of the Authority.

2.10.3 In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the Authority may, in its sole discretion, extend the Bid Due Date.

## 2C. PREPARATION AND SUBMISSION OF BID

### 2.11 Language

The Bid and all related correspondence and documents in relation to the Bidding Process shall be in English language. Supporting documents and printed literature furnished by the Bidder with the Bid may be in any other language provided that they are accompanied by translations of all the pertinent passages in the English language, duly authenticated and certified by the Bidder. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Bid, the English language translation shall prevail.

### 2.12 Format and signing of Bid

2.12.1 The Bidder shall provide all the information sought under this RFP Document. Authority will evaluate only those Bids that are received in the required formats and complete in all respects, by the Bid Due Date; incomplete and /or conditional Bids shall be liable to rejection.

2.12.2 The Bidder shall prepare 1 (one) original set of the Bid (together with originals/ copies of documents required to be submitted along therewith pursuant to this RFP Document) and clearly marked "ORIGINAL". In addition, the Bidder shall submit 2 (two) copies of the Bid, along with documents required to be submitted along therewith pursuant to this RFP Document, marked "COPY". In the event of any discrepancy between the original and the copy, the original shall prevail.

2.12.3 The Bid and its copies shall be typed or written in indelible ink and signed by the authorized signatory of the Bidder who shall also initial each page in blue ink. In case of printed and published Documents, only the cover shall be initialed. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialed by the person(s) signing the Bid. The Bid shall contain page numbers and shall be bound together in spiral cover.

## 2.13 Sealing and Marking of Bids

2.13.1 The Bidder shall submit the Bid in the format specified in Appendix-I, together with the documents specified in Clause 2.13.2A be sealed in an envelope and mark the envelope as "Technical Bid". The Bidder shall submit the Financial Offer in the format specified at Appendix-V and seal it in another envelope and mark the envelope as "Financial Bid". Both the envelopes of the Technical Bid and the Financial Bid shall then be sealed in an outer envelope and mark the envelope as "Bid". The Bidder shall seal the original and the copy of the Bid, together with their respective enclosures, in separate envelopes duly marking the envelopes as "ORIGINAL" and "COPY". The envelopes shall then be sealed in an outer envelope which shall also be marked in accordance with Clauses 2.13.2 and 2.13.3.

2.13.2 (A) Each Technical Bid envelope shall contain:

- (i) Bid in the prescribed format (Appendix-I) along with Annexes and supporting documents;
- (ii) Power of Attorney for signing the Bid as per the format at Appendix-II;
- (iii) If applicable, the Power of Attorney for Lead Member of Consortium as per the format at Appendix-III;
- (iv) copy of the Jt. Bidding Agreement, in case of a Consortium, substantially in the format at Appendix-IV;
- (v) Copies of Registration/ Incorporation Documents of the Bidder such as Memorandum & Articles of Association, Partnership Deed, Trust Deed, PAN Card etc.;
- (vi) Copies of Bidder's duly audited balance sheet and profit and loss account for the financial year preceding Bid Due Date as well as for the relevant year reflecting the turnover of the bidder from the lottery business in terms of Clause 2.2.2 (A);
- (vii) Demand Draft or Payment Receipt towards the cost of the Bidding Documents as specified in Clause 1.2.1;
- (viii) Bank Guarantee for Bid Security as specified in Clause 1.2.4;
- (ix) Copy of the Certificate from the statutory auditors of the Bidder specifying the Net Worth of the Bidder for the year ending on March 31, 2014; and
- (x) A copy of the Instruction to Bidders, Draft Agency Agreement & Schedules with each page stamped and initialed by the person signing the Bid in

pursuance of the Power of Attorney referred to in sub-clause (ii) hereinabove.

(B) Each Financial Bid envelope shall contain:

(i) Financial Offer in the prescribed format (Appendix-V);

The final outer envelopes having the Original and Copy, shall clearly bear the following identification:

“TO BE OPENED ONLY IN THE PRESENCE OF THE EVALUATION COMMITTEE”

AND

Bid for: “Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own (BOO) basis”

and shall clearly indicate the name, address, fax number of the Bidder, along with contact person’s name, mobile number & email address. In addition, the Bid Due Date should be indicated on the right hand corner of each of the envelopes.

2.13.3 Each of the envelopes shall be addressed to:

ATTN. OF:	The Director Punjab State Lotteries
ADDRESS:	SCO 106-108, Sector 17-D, Chandigarh.
PHONE NO.:	0172-2702634
Email :	punjabstatelotteries@gmail.com

2.13.4 If the envelopes are not sealed and marked as instructed above, the Authority assumes no responsibility for the misplacement or premature opening of the contents of the Bid and consequent losses, if any, suffered by the Bidder.

2.13.5 Bids submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.

2.13.6 Submission of the Bid

- I. Hardcopy of the Bid should be submitted before 1500 hours on or before the Bid Due Date.
- II. All the pages of the Bid are to be initialled by the Authorised Signatory of the Bidder. In case the documents are not signed in the manner specified, the Bid shall be treated as invalid and can be rejected.
- III. The Bidder shall submit the Hardcopy of the Bid in the format specified at Appendix-I, together with the documents specified in Clause 2.13.2A and seal it in an envelope and mark the envelope as “Technical Bid”.

- IV. The Demand Draft in original or payment receipt towards the payment of Bid Processing Charges shall be put in a separate envelope inside the Technical Bid envelope and mark the envelope as "Bid Processing Charges".
- V. The Bank Guarantee (as per the format at Appendix-VI) in original towards the payment of Bid Security shall be put in a separate envelope inside the Technical Bid envelope and mark the envelope as "Bid Security".
- VI. The Bidder shall submit the Financial Offer in the format specified at Appendix-V and seal it in another envelope and mark the envelope as "Financial Bid".
- VII. Both the envelopes of the Technical Bid and the Financial Bid shall then be sealed in an outer envelope and mark the envelope as "Bid".
- VIII. The Bidder shall seal the original and the copies of the Bid, together with their respective enclosures, in separate envelopes duly marking the envelopes as "ORIGINAL" and "COPY".
- IX. The envelopes shall then be sealed in an outer envelope which shall also be marked in accordance with Clauses 2.13.2 and 2.13.3.

Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.10 uniformly for all Bidders.

#### 2.14 Bid Due Date

2.14.1 Bids should be submitted before 1500 hours IST on or before Bid Due Date at the address provided in Clause 2.13.3 in the manner and form as detailed in this RFP Document. A receipt thereof should be obtained from the office of the Authority specified in Clause 2.13.3.

2.14.2 Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.10 uniformly for all Bidders.

#### 2.15 Late Bids

Bids received by the Authority after the specified time on the Bid Due Date shall not be eligible for consideration and shall be summarily rejected.

#### 2.16 Modifications/ substitution/ withdrawal of Bids



2.16.1 No Bid shall be modified or substituted by the Bidder after the Bid is submitted by the Bidder to the Authority, except for information specifically requested to be submitted by the Authority in writing after the Bid Due Date.

## 2D. EVALUATION PROCESS

### 2.17 Opening and Evaluation of Bids

2.17.1 Authority shall open the Technical Bids at 1630 hours IST on the Bid Due Date, at the place specified in Clause 2.13.3 and in the presence of the Bidders who choose to attend.

2.17.2 Bids for which a notice of withdrawal has been submitted shall not be opened.

2.17.3 Authority will subsequently examine and evaluate Bids in accordance with the provisions set out in Section 3.

2.17.4 Bidders are advised that pre-qualification of Bidders will be entirely at the discretion of the Authority. Bidders will be deemed to have understood and agreed that no explanation or justification on any aspect of the Bidding Process or selection will be given.

2.17.5 Any information contained in the Bids shall not in any way be construed as binding on the Authority, its agents, successors or assigns, but shall be binding against the Bidders if the Project is subsequently awarded to it on the basis of such information.

2.17.6 Authority reserves the right not to proceed with the Bidding Process at any time without notice or liability and to reject any or all Bid(s) without assigning any reasons.

2.17.7 If any information furnished by the Bidder is found to be incomplete, or contained in formats other than those specified herein, the Authority may, in its sole discretion, exclude it from computation/evaluation.

2.17.8 Where any information is found to be patently false or amounting to a material misrepresentation, the Authority reserves the right to reject the Bid in accordance with the provisions of Clauses 2.7.2 and 2.7.3.

### 2.18 Confidentiality

Information relating to the examination, clarification, evaluation, and recommendation for the short-listed pre-qualified Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained

professional advisor advising the Authority in relation to or matters arising out of, or concerning the Bidding Process. Authority will treat all information, submitted as part of Bid, in confidence and will require all those who have access to such material to treat the same in confidence. Authority may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the Authority or as may be required by law or in connection with any legal process.

## 2.19 Tests of Responsiveness

2.19.1 Prior to evaluation of Bids, the Authority shall determine whether each Bid is responsive to the requirements of this RFP Document. A Bid shall be considered responsive only if:

- (a) it is received as per format at Appendix-I.
- (b) it is received by the Bid Due Date including any extension thereof pursuant to Clause 2.14.2;
- (c) it is signed, sealed, bound together and marked as stipulated in Clauses 2.12 and 2.13;
- (d) it is accompanied by the Power of Attorney as specified in Clause 2.2.5, and in the case of a Consortium, the Power of Attorney as specified in Clause 2.2.6 (c);
- (e) it contains all the information and documents (complete in all respects) as requested in this RFP Document;
- (f) it contains information in formats same as those specified in this RFP;
- (g) it contains certificates from its statutory auditors in the formats specified at Appendix-I of the RFP Document;
  
- (h) it is accompanied by the Demand Draft or Payment Receipt towards the cost of the Bidding Documents as specified in Clause 1.2.1;
- (i) it is accompanied by the Bid Security as specified in Clause 1.2.4;
  
- (j) it is accompanied by the Jt. Bidding Agreement (for Consortium), specific to the Project, as stipulated in Clause 2.2.6(g);
- (k) it does not contain any condition or qualification;
- (l) it is not non-responsive in terms hereof; and

2.19.2 Authority reserves the right to reject any Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such Bid.

## 2.20 Clarifications

2.20.1 To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications from any Bidder regarding its Bid. Such clarification(s) shall be provided within the time specified by the Authority for this purpose. Any request for clarification(s) and all clarification(s) in response thereto shall be in writing.

2.20.2 If a Bidder does not provide clarifications sought under Clause 2.20.1 above within the prescribed time, its Bid shall be liable to be rejected. In case the Bid is not rejected, Authority may proceed to evaluate the Bid by construing the particulars requiring clarification to the best of its understanding, and the Bidder shall be barred from subsequently questioning such interpretation of the Authority.

## 2E. QUALIFICATION AND BIDDING

### 2.21 Short-Listing and Notification

After the evaluation of Bids found to be responsive in the Qualification Phase, the Authority would announce a list of short-listed pre-qualified Bidders who will be eligible to participate in the Financial Proposal Phase. Authority will open Financial Bids of only the shortlisted bidders. At the same time, the Authority would notify the other Bidders that they have not been short-listed. Authority will not entertain any query or clarification from Bidders who fail to qualify.

### 2.22 Submission of Bids

The Bidders will be requested to submit a Bid in the form and manner to be set out in the RFP Document.

### 2.23 Proprietary Data

All documents and other information supplied by the Authority or submitted by a Bidder to Authority shall remain or become the property of the Authority. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. Authority will not return any Bid or any information provided along therewith.

### 2.24 Correspondence with the Bidder

Save and except as provided in this RFP Document, the Authority shall not entertain any correspondence with any Bidder in relation to the acceptance or rejection of any Bid.

## 2.25 Validity of Bids

The Bids shall be valid for a period of not less than 180 (one hundred eighty) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and the Authority.

## 2F. BID SECURITY

### 2.26 Bid Security

2.26.1 The Bidder shall furnish as part of its Bid, a Bid Security referred to in Clauses 1.2.4 hereinabove.

2.26.2 The Bid Security shall be for an amount of Rs. 5,00,00,000/- (Rupees Five Crores only) as specified in Clause 1.2.4. The Bid Security shall be in the form of an unconditional and irrevocable Bank Guarantee issued by a Scheduled Bank in India, drawn in favour of 'Director Punjab State Lotteries' payable at Chandigarh and as per the format provided in Appendix VI. Authority shall not be liable to pay any charges on the Bid Security Bank Guarantee.

2.26.3 Any Bid not accompanied by the Bid Security shall be summarily rejected by the Authority as non-responsive.

2.26.4 Save and except as provided in Clauses 1.2.4 above, the Bid Security of unsuccessful Bidders will be returned by Authority, without any interest, as promptly as possible on acceptance of the Bid of the Selected Bidder or when the Bidding process is cancelled by the Authority, and in any case within 60 (sixty) days from the Bid Due Date.

2.26.5 The Selected Bidders' Bid Security will be returned, without any interest, upon the Selected Bidder furnishing the Performance Security and signing the Agency Agreement in accordance with the provisions thereof.

2.26.6 Authority shall be entitled to forfeit and appropriate the Bid Security as Damages inter alia in any of the events specified in Clause 2.26.7 herein below. The Bidder, by submitting its Bid pursuant to this RFP Document, shall be deemed to have acknowledged and confirmed that the Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the period of Bid validity as specified in this RFP Document. No relaxation of any kind by the Authority shall be given to any Bidder.

2.26.7 The Bid Security shall be forfeited as Damages without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or under the Agency Agreement, or otherwise, under the following conditions:

- a) If a Bidder submits a non-responsive Bid;
- b) If a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Section 4 of this RFP;
- c) If a Bidder withdraws its Bid during the period of Bid Validity as specified in this RFP Document or as extended by mutual consent of the respective Bidder(s) and Authority ;
- d) In the case of Selected Bidder, if it fails within the specified time limit:
  - (i) to sign and return the duplicate copy of the LOA issued to it;
  - (ii) to sign the Agency Agreement within stipulated time limit or extended time limit which may be granted by the Authority at its sole discretion; or
  - (iii) to furnish the Performance Security within the period prescribed in the Agency Agreement; or
- e) In case the Selected Bidder, having signed the Agency Agreement, commit any breach thereof prior to furnishing the Performance Security.

### 3. CRITERIA FOR EVALUATION

#### 3A. QUALIFICATION PHASE

##### 3.1 Evaluation Parameters

3.1.1 Bidders have to meet the eligibility criteria specified in Clause 2.2.2 above and the evaluation would be as per this Section 3. Bids of those Bidders who do not meet the eligibility criteria shall be rejected. Bidders applying under the High Net worth Route should meet the Net worth requirement set forth in Clause 2.2.3 above.

3.1.2 The Bidder's competence and capability is proposed to be established by the following parameters:

- (a) Technical Capacity;
- (b) Financial Capacity
- (c) High Net worth Route

##### 3.2 Technical Capacity for purposes of Evaluation

3.2.1 The Bidders (except the Bidders applying through the High Net worth Route) would have to meet the minimum Technical Capacity as defined in clause 2.2.2 (A) to qualify for the Financial Proposal Stage.

3.2.2 The Bidders must provide the necessary information relating to turnover as per format at Annex-III of Appendix-I.

3.2.3 The Bidders (except the Bidders applying through the High Net worth Route) should furnish the required Project-specific information and evidence in support of its claim of Technical Capacity, as per format at Annex-III of Appendix-I.

3.2.4 The Bidder should furnish the required certificate from the statutory auditor in terms of Clauses 2.2.4 & 2.13.2 (A).

3.3 Evaluation of Technical Bid submitted by Bidders applying through the High Net worth Route

The Bidder applying through the High Net worth Route, to qualify for the Financial Proposal Phase shall not be required to meet the Technical Capacity criteria contained in Clause 2.2.2 (A).

3.4 Financial Information for purposes of Evaluation

3.4.1 The Bids must be accompanied by the Audited Annual Reports of the Bidders (of each Member in case of a Consortium) for the relevant year/s in terms of Clause 2.2.2 (B) for the purpose of evaluation of Financial Capacity.

3.4.2 In case the annual accounts for the latest financial year are not audited and on this account the Bidder cannot make it available, the Bidder shall give an undertaking to this effect and the statutory auditor shall certify the same. In such a case, the Bidder shall provide the Audited Annual Reports for the year proceeding the year for which the Audited Annual Report is not being provided.

3.4.3 The Bidder must establish the minimum Net Worth specified in Clause 2.2.2 (B); in case of Bidder applying through the High Net worth Route, it must establish the minimum Net Worth specified in Clause 2.2.3. The aforesaid details are to be provided as per the format at Annex- II of Appendix-I.

3.5 Short-listing of Bidders

3.5.1. The Bidders who meet the Technical Capacity and Financial Capacity criteria set forth in the RFP Document will be qualified and shortlisted for the Financial Proposal Phase.

3B. FINANCIAL PROPOSAL PHASE

3.6 Opening and Evaluation of Financial Proposal

3.6.1 The shortlisted Bidders will be informed about the opening date of the Financial Proposal

on the following websites i.e. [www.punjabstatelotteries.gov.in](http://www.punjabstatelotteries.gov.in) . The Financial Offer shall be opened in the presence of the shortlisted Bidders who choose to attend.

3.6.2 To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.

### 3.7 Selection of Bidder

3.7.1 Subject to the provisions of Clause 3.5.1, the Bidder whose Bid is adjudged as responsive in terms of Clause 2.19.1 and who pursuant to following the procedure described in Clauses 1.2.6, 1.2.7, 1.2.8 & 1.2.9 above, is determined as the Highest Bidder offering the highest amount of Minimum Guaranteed Revenue payable to the Authority in terms of this RFP Document and the Draft Agency Agreement, shall be declared as the Selected Bidder and shall become entitled for the issuance of the LoA.

3.7.2 After selection, a Letter of Award (the "LOA") shall be issued, in duplicate, by Authority to the Selected Bidder and the Selected Bidder shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. In the event, the duplicate copy of the LOA duly signed by the Selected Bidder is not received by the stipulated date, Authority may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such Bidder as Damages on account of failure of the Selected Bidder to acknowledge the LOA, and the next eligible Bidder may be considered in accordance with the procedure prescribed in Clauses 1.2.8 & 1.2.9.

3.7.6 After acknowledgement of the LOA as aforesaid, the Selected Bidder/ SPV shall execute the Agency Agreement within the period prescribed in Clause 1.3. The Selected Bidder shall not be entitled to seek any deviation, modification or amendment in the Agency Agreement.

### 3.8 Contacts during Bid Evaluation

Bids shall be deemed to be under consideration immediately after they are opened and until such time Authority makes official intimation of award/ rejection to the Bidders. While the Bids are under consideration, Bidders and/ or their representatives or other interested parties are advised to refrain, save and except as required under the Bidding Documents, from contacting by any means, the Authority and/ or their employees/ representatives on matters related to the Bids under consideration.

## 4. FRAUD AND CORRUPT PRACTICES

- 4.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOA and during the subsistence of the Agency Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Agency Agreement, the Authority may reject a Bid, withdraw the LOA, or terminate the Agency Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder or Selling Agent/ Distributor, as the case may be, if it determines that the Bidder or the Selected Bidder, as the case may be, has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, the Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to the Authority under the Bidding Documents and/ or the Agency Agreement, or otherwise.
- 4.2 Without prejudice to the rights of the Authority under Clause 4.1 hereinabove and the rights and remedies which the Authority may have under the LOA or the Agency Agreement, or otherwise if a Bidder or Selling Agent/ Distributor, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, or after the issue of the LOA or the execution of the Agency Agreement, such Bidder or Selected Bidder shall not be eligible to participate in any tender or RFP Document issued by the Authority during a period of 2 (two) years from the date such Bidder or Selected Bidder, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 4.3 For the purposes of this Section 4, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to, or employing, or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly, with the Bidding Process or the LOA or has dealt with matters concerning the Agency Agreement or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to



constitute influencing the actions of a person connected with the Bidding Process); or (ii) save and except as permitted under sub clause (d) of Clause 2.2.1, engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Agency Agreement and till the period of 1 (one) years from the date of signing of the Agency Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Agency Agreement, who at any time has been or is a legal, financial or technical adviser of the Authority in relation to any matter concerning the Project;

- (b) "fraudulent practice" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;
- (c) "coercive practice" means impairing or harming or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the Bidding Process;
- (d) "undesirable practice" means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- (e) "restrictive practice" means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

## 5. PRE-BID CONFERENCE

- 5.1 The Authority will conduct a pre – bid conference to clarify any issues regarding this RFP Document. The Pre-Bid conference will be held on 7<sup>th</sup> October 2014 at 1500 hours, Indian Standard (Time) at the office of the Directorate of Punjab State Lotteries, SCO 106-108, Batra Building, Sector 17-D Chandigarh-160017 or at any other specified venue/time as decided by the Government.
- 5.2. During the course of Pre-Bid conference, the Bidders will be free to seek clarifications and make suggestions for consideration of the Authority. The Authority shall endeavor to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.

## 6. MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts at Chandigarh shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
  - (b) consult with any Bidder in order to receive clarification or further information;
  - (c) pre-qualify or not to pre-qualify any Bidder and/ or to consult with any Bidder in order to receive clarification or further information;
  - (d) retain any information and/ or evidence submitted to Authority by, on behalf of, and/ or in relation to any Bidder; and/ or
  - (e) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Authority or the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder and the Bidding Documents, pursuant hereto, and/ or in connection with the Bidding Process, to the fullest extent permitted by applicable law, and waives any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.

## Appendices

APPENDIX I

Letter Comprising the Bid

(Refer Clause 2.13.2A & 2.13.6)

(to be provided on the letterhead of the Bidder/ Lead Member of the Consortium)

Dated:

To,

The Director  
Punjab State Lotteries  
SCO 106-108, Sector 17-D, Chandigarh  
Phone : 0172-2702634

Sub: Bid for "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build Operate & Own (BOO) basis"

Dear Sir,

With reference to your RFP document dated .....<sup>§</sup>, I/we, having examined the RFP document and understood its contents, hereby submit my/our Bid for the aforesaid project. The Bid is unconditional and unqualified.

2. I/ We acknowledge that the Authority will be relying on the information provided in the Bid and the documents accompanying such Bid for selection of the Distribution/ Selling Agent for the aforesaid project, and I/ we certify that all information provided in the Bid is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying such Bid are true copies of their respective originals.
3. This statement is made for the express purpose of my/ our selection as the Selected Bidder for the designing, setting up, operating & managing the Punjab State Online Lottery System through Public Private Partnership (PPP).
4. I/ We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Bid.
5. I/ We acknowledge the right of the Authority to reject our Bid without assigning any reason or otherwise and hereby waive to the fullest extent permitted by applicable law our right to challenge the same on any account whatsoever.

Appendix I

Page 2

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<sup>§</sup> All blank spaces shall be suitably filled up by the Bidder to reflect the particulars relating to such Bidder.

6. I/ We certify that :
- (i) in the last three years, I/ we/ any of the Consortium Members or my/ our/ their Associates have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial Authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract by any public Authority nor have had any contract terminated by any public Authority for breach on our part.
  - (ii) I/ We/ any of the Consortium Members or our/ their Associates including our/ their directors, promoters etc. have not been blacklisted by Centre/any State Government, and earnest money or any kind of security deposit has not been forfeited by Centre/any State Government.
7. I/ We declare that:
- (a) I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authority;
  - (b) I/ We do not have any conflict of interest in accordance with the RFP Document;
  - (c) I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFP document, in respect of any tender or request for proposal issued by or any Agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
  - (d) I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 4 of the RFP Document, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
8. I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with the provision of the RFP Document.
9. I/ We believe that I/ we/ our Consortium/ proposed Consortium satisfy(s) the qualification criteria as specified in Clause 2.2.2/ 2.2.3 (tick the relevant clause under which applying) and meet(s) all the requirements as specified in the RFP Document and are/ is qualified to submit the Bid.

10. I/ We declare that I/ we/ any Member of the Consortium, or our/ its Associates are not a Member of a/ any other Consortium submitting a Bid for the Project.
11. I/ We certify that in regard to matters other than security and integrity of the country, I/ we/ any Member of the Consortium or any of our/ their Associates have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory Authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
12. I/ We further certify that in regard to matters relating to security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.
13. I/ We further certify that no investigation by a regulatory Authority is pending either against me/ us/ any Member of the Consortium or against our/ their Associates or against our CEO or any of our Directors/ Managers/ employees.
14. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the provisions of this RFP Document, we shall intimate the Authority of the same immediately.
15. The Statement of Legal Capacity as per format provided at Annex-IV in Appendix-I of the RFP Document, and duly signed, is enclosed. The power of attorney for signing of Bid and the power of attorney for Lead Member of consortium, as per format provided at Appendix II and III respectively of the RFP Document, are also enclosed.
16. I/ We understand that the Selected Bidder shall incorporate a Special Purpose Vehicle ("SPV") (the "Project Agent") and shall be responsible for designing, setting up, operation & managing the Punjab State Online Lottery System under and in accordance with the provisions of the Agency Agreement.
17. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Bidder, or in connection with the selection/ Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.

18. I/ We agree and undertake to abide by all the terms and conditions of the RFP Document including the Agency Agreement.
19. In the event of my/ our being declared as the Selected Bidder, I/we agree to enter into an Agency Agreement in accordance with the Draft Agency Agreement that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
20. I/ We have studied all the Bidding Documents carefully. I/ We understand that except to the extent as expressly set forth in the Agency Agreement, I/ we shall have no claim, right or title arising out of any documents or information provided to me/ us by the Authority or in respect of any matter arising out of or relating to the Bidding Process including the award of Agency.
21. I/ We offer a Bid Security of Rs.5,00,00,000/- (Rupees Five Crores Only) to the Authority in accordance with Clause 1.2.4 of the RFP Document.
22. The Bid Security in accordance with Clause 1.2.4 of the RFP Document in the form of an unconditional and irrevocable Bank Guarantee is attached and provided for in Technical Bid envelope.
23. The Demand Draft or Payment Receipt towards the cost of Biding Documents as specified in Clause 1.2.1 is attached and provided for in Technical Bid envelope.
24. I/ We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/we shall have any claim or right of whatsoever nature if the Project is not awarded to me/us or our Bid is not opened or rejected.
25. I/ We agree that the figure of the Minimum Guaranteed Revenue over and above the amount of Rs.150crores which is the reserve price for the first year of Agency Period, has been quoted by me/us in my/ our Financial Proposal/ Offer after taking into consideration all the terms and conditions stated in the RFP Document & its Addendum, Draft Agency Agreement, our own estimates of costs and after a careful assessment of the Project and all the conditions that may affect the project cost and implementation of the Project.

26. I/ We agree to pay all applicable taxes to the Central or State Government for undertaking the aforesaid Project in accordance with the RFP Document and the Draft Agency Agreement.
27. I/ We agree and understand that in case I/ we are declared as the Selected Bidder, I/ we shall be authorized to hold maximum number of twenty four (24) draws per day during the entire Agency Period of 3 (three) years, pursuant to signing of the Agency Agreement with the Authority.
28. I/ We shall keep this offer valid for 180 (one hundred and eighty) days from the Bid Due Date specified in the RFP Document.
29. I/ We agree and undertake to be jointly and severally liable for all the obligations of the Distribution/ Selling Agent under the Agency Agreement till occurrence of Financial Close in accordance with the Agency Agreement.}\$

In witness thereof, I/ we submit this Bid under and in accordance with the terms of the RFP Document.

Yours faithfully,

Date:

(Signature, name and designation of the Authorised Signatory)

Place:  
Member

Name and seal of the Bidder/ Lead

*Note: Paragraphs in curly parenthesis may be omitted by the Bidder, if not applicable to it, or modified as necessary to reflect Bidder-specific particulars.*

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\$ Omit if the Bidder is not a Consortium.



ANNEX-I

Details of Bidder

1.
  - (a) Name:
  - (b) Place of incorporation:
  - (c) Address of the registered office:
  - (d) Address of the corporate headquarters and its branch office(s), if any, in India:
  - (d) Date of incorporation:
  - (e) Place of incorporation:
  - (f) Official Website:
  - (g) List of Directors and key employees of the Member(s)<sup>2</sup>
  - (h) The name of the Member(s) and any names under which it trades or has traded in the past five years
2. Brief description of the Company including details of its main lines of business and proposed role and responsibilities in this Project:
3. Details of individual(s) who will serve as the point of contact/ communication for Authority:
  - (a) Name:
  - (b) Designation:
  - (c) Company:
  - (d) Postal Address:
  - (e) Mobile Number:
  - (f) Telephone Number (Land Line):
  - (g) E-Mail Address:
  - (h) Fax Number:
4. Particulars of the Authorised Signatory of the Bidder:
  - (a) Name:
  - (b) Designation:
  - (c) Postal Address:
  - (d) Mobile Number:
  - (e) Telephone Number (Land Line):
  - (f) E-Mail Address:
  - (g) Fax Number:

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<sup>2</sup> The Bidder should note that it is required to intimate the Government of any changes in the identity of the above directors or key employees or of any material changes in their circumstances (inter-alia conviction of a criminal offence, censure by a regulatory Authority, Authority or bankruptcy) during the period between the submission of the bid and grant of the Agency.

5. In case of a Consortium:

- (a) The information above (1-4) should be provided for all the Members of the Consortium.
- (b) A copy of the Joint Bidding Agreement as per attached format should be annexed to the Bid.
- (c) Information regarding the role of each Member should be provided as per table below:

Sl. No.	Name of Member	Role*	Percentage of equity in the Consortium
1.			
2.			
3.			
4.			
5.			

\*The role of each Member, as may be determined by the Bidder, should be indicated.

- (d) The following information shall also be provided for each Member of the Consortium:

Name of Bidder/ member of Consortium:

No.	Criteria	Yes	No
1.	Has the Bidder/ constituent of the Consortium been barred by the Central/ State Government, or any entity controlled by it, from participating in any project.		
2.	If the answer to 1 is yes, does the bar subsist as on the date of Bid.		
3.	Has the Bidder/ constituent of the Consortium paid liquidated damages of more than 5% of the contract value in a contract due to delay or has been penalised due to any other reason in relation to execution of a contract, in the last three years?		

- 6. A statement by the Bidder and each of the Members of its Consortium (where applicable) or any of their Associates disclosing material non-performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the recent past is given below (Attach extra sheets, if necessary).

7. Enclose copies of registration/ incorporation documents of the Bidder. In case of Consortium, enclose copies of registration/ incorporation documents in respect of each Member.
8. Enclose Audited annual reports for the last audited financial year of the Bidder\*. In case of Consortium, enclose a copy each of the Audited annual reports of each member of the Consortium.
9. An undertaking that the Bidder or any Consortium Member or Associate has not been barred by the Central/ State Government or any entity controlled by it, from participating in any PPP project, and the bar does not subsist as on the date of Bid, either individually or as member of a Consortium.
10. An undertaking that the Bidder including any Consortium Member or Associate in the last 5 (Five) years, have not been declared insolvent or have winding up petition pending or threatened against it and that it has not been charged with perjury.
11. An undertaking that the Bidder including any Consortium Member or Associate in the last 5 (Five) years, have not been declared insolvent or have winding up petition pending or threatened against it and that it has not been charged with perjury.

Appendix I  
Annex-II

Financial Capacity of the Bidder  
(to be provided on the letter head of the statutory auditor)  
(Refer to Clauses 2.2.2, 2.2.3, 2.2.4, 3.3 and 3.4 of the RFP Document)

(In Rs. Crore<sup>\$\$</sup>)

In case of single entity Bidder

Name of the Bidder	Net worth <sup>€</sup> as on 31.03.2014 (INR)

In case of Consortium

Members (Names)	Proposed Equity Stake in the Consortium (%)	Net worth <sup>€</sup> (INR) as on 31.03.2014
Lead Member		
Consortium Member 1		
Consortium Member 2		
Consortium Member 3		
Consortium Member 4		
Consortium Member 5		
Calculation of Net Worth for the purpose of this proposal as per 2.2.2B		

In case of Bidders applying under the High Network Route :

Name of the Bidder	Net worth <sup>€</sup> as on 31.03.2014 (INR)

It is further certified that the formulae adopted for the computation of Network is as below:

Net Worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders).

Name of the audit firm:

Seal of the audit firm: (Signature, name and designation of the authorised signatory).

Date:

Name & address of Bidder's Bankers:

Appendix I

## Annex-II

<sup>§</sup> A Bidder consisting of a single entity should fill in details as per the table appearing first and ignore the second table titled as "In case of Consortium" In case of a Consortium, table titled as "In case of Single Bidder" may be ignored.

<sup>€</sup> The Bidder should provide details of its own Financial Capability or of an Associate specified in Clause 2.2.9.

### Instructions:

1. The Bidder/ its constituent Consortium Members shall attach copies of the balance sheets, financial statements and Annual Reports for the year preceding the Bid Due Date. The financial statements shall:
  - (a) reflect the financial situation of the Bidder or Consortium Members and its/ their Associates where the Bidder is relying on its Associate's financials;
  - (b) be audited by a statutory auditor;
  - (c) be complete, including all notes to the financial statements; and
  - (d) correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).
2. Net Worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders).
3. In the case of a Consortium, a copy of the Jt. Bidding Agreement shall be submitted in accordance with the RFP Document.
4. The Bidder shall also provide the name and address of the Bankers to the Bidder.
5. The Bidder shall provide an Auditor's Certificate specifying the net worth of the Bidder and also specifying the methodology adopted for calculating such net worth in accordance with the RFP document.
6. In the event that credit is being taken for the eligible experience of an Associate, as defined in Clause 2.2.9, the Bidder should also provide a certificate in the format below:

Certificate from Statutory Auditor/ Company Secretary regarding Associate<sup>§</sup>

Based on the authenticated record of the company, this is to certify that more than 50% (fifty per cent) of the subscribed and paid up voting equity of ..... (name of the Bidder/Consortium Member/ Associate) is held, directly or indirectly<sup>£</sup>, by ..... (name of Associate/ Bidder/ Consortium Member). By virtue of the aforesaid share-holding, the latter exercises control over the former, who is an Associate in terms of Clause 2.2.10 of the RFP.

A brief description of the said equity held, directly or indirectly, is given below:

{Describe the share-holding of the Bidder/ Consortium Member and the Associate. In the event the Associate is under common control with the Bidder/ Consortium Member, the relationship may be suitably described and similarly certified herein.}

Name of the audit firm:

Seal of the audit firm: (Signature, name and designation of the authorised signatory).

Date:

7. It may be noted that in the absence of any detail in the above certificates, the information would be considered inadequate and could lead to exclusion of the relevant project in computation of Technical Capacity.

<sup>§</sup> In the event that the Bidder/ Consortium Member exercises control over an Associate by operation of law, this certificate may be suitably modified and copies of the relevant law may be enclosed and referred to.

<sup>£</sup> In the case of indirect share-holding, the intervening companies in the chain of ownership should also be Associates i.e., the share-holding in each such company should be more than 50% (fifty percent) in order to establish that the chain of "control" is not broken.

Appendix I  
Annex-III

Details pertaining to Technical Capacity of Bidder  
*(to be provided on the letter head of the statutory auditor)*  
*(Refer to Clauses 2.2.2, 2.2.4 and 3.2 of the RFP Document)*

In case of experience in organising lottery in the capacity of Distributor/Selling Agent since 1998:

Name of the Single Bidder/ Member(s) in case of consortium	Particulars	Period of Engagement	Client	State/ Location	Role performed (Distributor/Selling Agent)	Gross turnover as per clause 2.2.2 A

Name of the audit firm:

Seal of the audit firm: (Signature, name and designation of the authorised signatory).

Date:

Note:

Attach certificates of satisfactory Performance & Experience.

Please use separate sheet for each project.

Appendix I

Annex-IV

Statement of Legal Capacity

*(To be forwarded on the letterhead of the Bidder/ Lead Member of Consortium)*

Ref.

Date:

To,

The Director  
Punjab State Lotteries  
SCO 106-108, Sector 17-D, Chandigarh  
Phone 0172 2702634

Sub: Bid for "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own basis"

Dear Sir,

I/ We hereby confirm that I/ we/ our members in the Consortium (constitution of which has been described in the Bid) satisfy the terms and conditions laid out in the RFP Document.

We have agreed that ..... (insert member's name) will act as the Lead Member of our consortium.\*

I/ We have agreed that ..... (insert individual's name) will act as my/ our representative/ will act as the representative of the consortium on its behalf\* and has been duly authorized to submit the RFP Document. Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Thanking you,

Yours faithfully,

(Signature, name and designation of the authorised signatory)

For and on behalf of.....

*\*Please strike out whichever is not applicable.*

APPENDIX II

Power of Attorney for signing of Bid  
(Refer Clause 2.2.5)  
*(To be executed on Stamp paper of Rs 100)*



Know all men by these presents, I/ We..... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorize Mr/ Ms (name), ..... son/daughter/wife of ..... and presently residing at ....., who is presently employed with me/ us/ the Lead Member of our Consortium and holding the position of ....., as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in my/ our name and on my/ our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of my/ our Bid for the "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own basis" Project to the Directorate of Punjab State Lotteries ("Authority") including but not limited to signing and submission of bid and other documents and writings, participate in pre-bids and other conferences and providing information/ responses to Authority, presenting me/ us in all matters before Authority, signing and execution of all contracts including the Agency Agreement and undertakings consequent to acceptance of my/ our bid, and generally dealing with Authority in all matters in connection with or relating to or arising out of my/ our bid for the said Project and/ or upon award thereof to me/ us and/or till the entering into of the Agency Agreement with the Authority.

AND I/ we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by my/ our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by my/ our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by me/ us.

IN WITNESS WHEREOF I/ WE, ....., THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ..... 2.....

For .....

(Signature, name, designation and address)

Witnesses:

1.

(Notarised)

2.

Accepted

.....

(Signature)

Appendix II

Page 2

(Name, Title and Address of the Attorney)

*Notes:*

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

APPENDIX III  
Power of Attorney for Lead Member of Consortium  
(Refer Clause 2.2.5)

*(To be executed on Stamp paper of Rs 100)*

Whereas the Directorate of Punjab State Lotteries (" Authority") has invited Bids from interested parties for the "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own basis" (the "Project") and

Whereas, ....., ....., ..... and ..... (collectively the "Consortium") being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Tender document and other connected documents in respect of the Project, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and Authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium's bid for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, ..... having our registered office at ....., M/s. .... having our registered office at ....., M/s. .... having our registered office at ....., M/s. .... having our registered office at ..... and ..... having our registered office at ....., (hereinafter collectively referred to as the "Principals") do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s ..... having its registered office at ....., being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the "Attorney"). We hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and, in the event the Consortium is awarded the Project/contract, during the execution of the Project and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the pre-qualification of the Consortium and submission of its bid for the Project, including but not limited to signing and submission of all , bids and other documents and writings, participate in bidders and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with Authority, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium's bid for the Project and/ or upon award thereof till the Agency Agreement is entered into with the Authority.

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ..... 2.....

For .....

(Signature)

.....

(Name & Title)

For .....

(Signature)

.....

(Name & Title)

For .....

(Signature)

.....

(Name & Title)

For .....

(Signature)

.....

(Name & Title)

For .....

(Signature)

.....

(Name & Title)

Witnesses:

1.

2.

.....

(Executants)

(To be executed by all the Members of the Consortium)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

APPENDIX IV  
Joint Bidding Agreement  
(Refer Clause 2.13.2A)

(To be executed on Stamp paper of Rs 100)

THIS JOINT BIDDING AGREEMENT is entered into on this the ..... day of ..... 20...

AMONGST

1. {..... Limited, a company incorporated under the Companies Act, 1956} and having its registered office at ..... (hereinafter referred to as the "First Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

2. {..... LLP, a limited liability partnership registered under the Limited Liability Partnership Act, 2008} and having its registered office at ..... through \_\_\_\_\_ (hereinafter referred to as the "Second Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

3. {....., a sole proprietorship and having its office at ..... through its Proprietor \_\_\_\_\_ (hereinafter referred to as the "Third Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)}

AND

4. {..... Limited, a company incorporated under the Companies Act, 1956 and having its registered office at ..... through \_\_\_\_\_ (hereinafter referred to as the "Fourth Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)}

AND

5. {..... Limited, a company incorporated under the Companies Act, 1956 and having its registered office at ..... through \_\_\_\_\_ (hereinafter referred to as the "Fifth Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)}

WHEREAS,

(A) Directorate of Punjab State Lotteries, represented by its Director and having its principal office at S.C.O. No. 106-108, Sector 17-D, Chandigarh, India (hereinafter referred to as the "Authority" which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) is undertaking Project

Development Activities on behalf of the Government of Punjab for "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own basis" (the "Project"). Authority has invited Bids (the "Bids") by its RFP Document dated ..... for the Project to be undertaken through Public Private Partnership (PPP).

- (B) Authority shall sign the Agency Agreement with the Selected Bidder.
- (C) The Parties are interested in jointly bidding for the Project as members of a Consortium and in accordance with the terms and conditions of the RFP Document and other bid documents in respect of the Project, and
- (D) It is a necessary condition under the RFP Document that the members of the Consortium shall enter into a Joint Bidding Agreement and furnish a copy thereof with the Bid.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretations

In this Agreement, the capitalised terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP Document.

2. Consortium

2.1 The Parties do hereby irrevocably constitute a consortium (the "Consortium") for the purposes of jointly participating in the Bidding Process for the Project.

2.2 The Parties hereby undertake to participate in the Bidding Process only through this Consortium and not individually and/ or through any other consortium constituted for this Project, either directly or indirectly or through any of their Associates.

3. Covenants

The Parties hereby undertake that in the event the Consortium is declared the Selected Bidders and awarded the Project, it shall incorporate a special purpose vehicle (the "SPV") under the Indian Companies Act, 2013 for entering into an Agency Agreement with the Authority and for performing all its obligations as the Selling Agent/ Distributor in terms of the Agency Agreement for the Project.

4. Role of the Parties

The Parties hereby undertake to perform the roles and responsibilities as described below:

- (a) Party of the First Part shall be the Lead member of the Consortium and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Consortium during the Bidding process and until the Agreement Date under the Agency Agreement when all the obligations of the SPV shall become effective;
  - (b) Party of the Second Part shall be {the \_\_\_\_\_ Member of the Consortium ;}
  - (c) Party of the Third Part shall be {the \_\_\_\_\_ Member of the Consortium;}
  - (d) Party of the Fourth Part shall be {\_\_\_\_\_Member of the Consortium;}
  - and
  - (e) Party of the Fifth Part shall be {\_\_\_\_\_Member of the Consortium}
5. Joint and Several Liability  
The Parties do hereby undertake to be jointly and severally responsible for all obligations and liabilities relating to the Project and in accordance with the terms of the RFP Document and the Agency Agreement.
6. Shareholding in the SPV
- 6.1 The Parties agree that the proportion of shareholding among the Parties in the SPV shall be as follows:  
First Party:  
Second Party:  
{Third Party:}  
{Fourth Party:}  
{Fifth Party:}
- 6.2 The Parties undertake that the Party of the First Part i.e. the Lead Member shall hold a minimum of 51% (fifty one per cent) of the subscribed and paid up equity share capital of the SPV, at all times during the entire Project period.
- 6.3 The Parties undertake that the Parties of the First, {Second, Third, Fourth and Fifth} Part whose experience, turnover and network have been reckoned for the purposes of qualification and short-listing of Bidders for the Project in terms of the RFP Document shall hold a minimum of 10% (ten per cent) of the subscribed and paid up equity share capital of the SPV at all times during the entire Project period.
- 6.4 The Parties undertake that they shall comply with all equity lock-in requirements set forth in the Agency Agreement.

7. Representation of the Parties



Each Party represents to the other Parties as of the date of this Agreement that:

- (a) Such Party is duly organised, validly existing and in good standing under the laws of its incorporation and has all requisite power and Authority to enter into this Agreement;
- (b) The execution, delivery and performance by such Party of this Agreement has been authorised by all necessary and appropriate corporate or governmental action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and Authority to execute this Agreement on behalf of the Consortium Member is annexed to this Agreement, and will not, to the best of its knowledge:
  - (i) require any consent or approval not already obtained;
  - (ii) violate any Applicable Law presently in effect and having applicability to it;
  - (iii) violate the memorandum and articles of association, by-laws or other applicable organisational documents thereof;
  - (iv) violate any clearance, permit, Project, grant, license or other governmental authorisation, approval, judgement, order or decree or any mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or
  - (v) create or impose any liens, mortgages, pledges, claims, security interests, charges or Encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
- (c) This Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and

(d) There is no litigation pending or, to the best of such Party's knowledge, threatened to which it or any of its Affiliates is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfillment of its obligations under this Agreement.

8. Termination

This Agreement shall stand terminated in case the Consortium is not pre-qualified for the Project or does not get selected for the award of the Project or upon return of the Bid Security by Authority to the Consortium, as the case may be.

9. Miscellaneous

9.1 This Joint Bidding Agreement shall be governed by laws of India.

9.2 The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED

For and on behalf of  
LEAD MEMBER by:

(Signature)  
(Name)  
(Designation)  
(Address)

SIGNED, SEALED AND DELIVERED

SECOND PART

(Signature)  
(Name)  
(Designation)  
(Address)

SIGNED, SEALED AND DELIVERED

For and on behalf of  
THIRD PART

Appendix IV  
Page 6

(Signature)  
(Name)  
(Designation)  
(Address)

In the presence of:

1. 2.

*Notes:*

1. *The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
2. *Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and Authority to execute this Agreement on behalf of the Consortium Member.*
3. *For a Joint Bidding Agreement executed and issued overseas, the document shall be legalised by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney has been executed.*

APPENDIX V  
Letter Comprising the Financial Offer  
(Refer Clause 2.13.2B)

Dated:

To,

The Director  
Punjab State Lotteries  
SCO 106-108, Sector 17-D, Chandigarh  
Phone 0172 2702634

Sub: Financial Bid for "Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own (BOO) basis"

Dear Sir,

With reference to your RFP Document, I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Financial Proposal for the aforesaid Project. The Financial Proposal is unconditional and unqualified.

1. I/ We hereby submit my/ our Bid and offer to pay Minimum Guaranteed Revenue\* for an amount of Rs. \_\_\_\_\_/- [Rupees in words] over and above the amount of Rs.150crores which is the reserve price for the first year of Agency Period, to the Authority as per the terms of the RFP Document and Draft Agency Agreement.
2. I/We agree to pay all applicable taxes to the Central Government, any State Government and/or Local Authorities for the States of Punjab for undertaking the aforesaid Project in accordance with this RFP Document and the Draft Agency Agreement.
3. I/ We hereby declare to undertake the aforesaid Project in accordance with the terms & conditions of the Bidding Documents including the Draft Agency Agreement.

In witness thereof, I/we submit this Financial Proposal under and in accordance with the terms of the RFP and the Bidding Documents.

Yours faithfully,

Date:  
signatory)  
Place:

(Signature, name and designation of the Authorised

Name and seal of Bidder/Lead Member

- \* Minimum Guaranteed Revenue shall mean and include the following amounts payable to the Authority:*
- (i) for the 1<sup>st</sup> year of Agency Period-higher of Rs.150 crores or the amount quoted by the Selected Bidder in its Financial Offer over and above Rs.150 crores;*
  - (ii) for the 2<sup>nd</sup> year of Agency Period- higher of Rs.200 crores being the reserve price or 110% of the Minimum Guaranteed Revenue derived as per (i) above for the first year of the Agency Period;*
  - (iii) for the 3<sup>rd</sup> year of Agency Period- higher of Rs.225 crores being the reserve price or 110% of the Minimum Guaranteed Revenue derived as per (ii) above for the second year of the Agency Period.*

APPENDIX VI  
Bid Security Bank Guarantee  
(REFER CLAUSE 1.2.4)

B.G. No.

Dated:

1. In consideration of you, Director Punjab State Lotteries, Department of Finance, Government of Punjab having its office at SCO 106-108, Sector 17-D, Chandigarh, (hereinafter referred to as the "Authority", which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of ..... (a company registered under the Companies Act, 1956) and having its registered office at ..... (and acting on behalf of its Consortium) (hereinafter referred to as the "Bidder" which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for Setting up and Managing the On-Line Lottery System in the State of Punjab on Build, Operate & Own (BOO) basis (hereinafter referred to as "the Project") pursuant to the RFP Document dated ..... issued in respect of the Project and other related documents including without limitation the draft Agency Agreement (hereinafter collectively referred to as "Bidding Documents"), we (Name of the Bank) having our registered office at ..... and one of its branches at ..... (hereinafter referred to as the "Bank"), at the request of the Bidder, do hereby in terms of Clause 1.2.4 of the RFP Document, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Authority an amount of Rs. 5 Crores (Rupees Five Crores only) (hereinafter referred to as the "Guarantee") as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfill or comply with all or any of the terms and conditions contained in the said Bidding Documents.

2. Any such written demand made by the Authority stating that the Bidder is in default of the due and faithful fulfillment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.

3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Authority is disputed by the Bidder or not, merely on the first demand from the Authority stating that the amount claimed is due to the Authority by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs.5Crores (Rupees five crores only).

4. This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.

5. We, the Bank, further agree that the Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfillment and compliance with the terms and conditions contained in the Bidding Documents including, *inter alia*, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.

6. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.

7. In order to give full effect to this Guarantee, the Authority shall be entitled to treat the Bank as the principal debtor. The Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfillment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to the Authority, and the Bank shall not be released from its liability under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Authority or any indulgence by the Authority to the said Bidder or by any change in the constitution of the Authority or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.

8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.

9. We undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch which shall be deemed to have been duly authorised to receive the said notice of claim.



10. It shall not be necessary for the Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Authority may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.

11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Authority in writing.

12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.

13 For the avoidance of doubt, the Bank's liability under this Guarantee shall be restricted to Rs. 5 Crores (Rupees five crores only). The Bank shall be liable to pay the said amount or any part thereof only if the Authority serves a written claim on the Bank in accordance with paragraph 9 hereof, on or before [\*\*\* (indicate date falling 180 days after the Bid Due Date)].

Signed and Delivered by ..... Bank

By the hand of Mr./Ms. ...., its ..... and authorised official.

(Signature of the Authorised Signatory)

(Official Seal)



ANNEXURE -1

Revenue from Lottery

Fig in Crores

Year	Receipt	Expenditure	Gross Profit	Tax
2007-08	3557.24	3395.17	162.07	84.88
2008-09	3565.22	3396.25	168.97	139
2009-10	4033.96	3864.1	169.86	141.7
2010-11	3799.56	3793.88	5.68	9.17
2011-12	63.11	41.33	21.78	8.25
2012-13	60.97	40.13	20.84	7.13
2013-14	69.19	36.51	32.68	9.28