

### Clarifications to the Queries on RfQ Document for 4000 MW Chhattisgarh Ultra Mega Power Project

Sl. No.	RfQ Clause	Clarification Sought	Reply to Clarification
1.	<p>Definition :</p> <p>"Affiliate" shall mean a company that directly or indirectly</p> <p style="padding-left: 40px;">i) controls, or</p> <p style="padding-left: 40px;">ii) is controlled by, or</p> <p>iii) is under common control with, a Bidding Company (in case of single company) or a Member in a Bidding Consortium (in case of Consortium) and control means ownership by one company of at least 26% (twenty six percent) of the voting rights of the other company.</p>	<p>The Common Control shall be an Entity which Can be Trust, HUF or an Individual who indirectly Controls the Bidder</p>	<p>Please refer the definition of "Affiliate" in the RfQ document.</p>
2.	<p><b>Clause 1.3</b></p> <p>The objective of this bidding process is to identify the Successful Bidder for supply of minimum 3500 MW and maximum 3800 MW of power for a period of 25 years. This range</p>	<p>We presume that there is no restriction on unit size. One may choose i.e. 600, 660, 800, 1000 MW unit.</p>	<p>The bidders can select unit size subject to supercritical technology and other provisions of the RfQ document.</p>

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	has been arrived at taking the gross capacity of the power station as 4000 MW.		
3.	<p>Clause 2.1.3</p> <p><b>Internal Resources Generation</b></p> <p>= Profit After Tax (PAT)</p> <p>Add:</p> <p>Depreciation and amortization</p> <p>Add:</p> <p>Decrease in net current assets (excluding cash)</p> <p>Add:</p> <p>Any other non cash expenditure (including deferred tax)</p> <p>Subtract:</p> <p>Scheduled loan repayments and increase in net current assets (excluding cash)</p> <p>Provided, when an existing loan has been repaid through the proceeds of a new loan, then to the extent the proceeds of the new loan have been used to repay the existing loan, such repayment of existing loan shall not be considered for the</p>	<p>In December 2009 the “Institute of Chartered Accountant of India” has issued some Opinion on calculation of IRG, Networth (same is attached herewith also). Please clarify whether the same will be used for the calculation of IRG and Networth?</p>	<p>PI refer RfQ clause 2.1.3 and the mentioned formula for calculation of IRG.</p>

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	purposes of computation of Internal Resource Generation.		
4.	<b>Clause 2.1.4</b>	If the Bidder had more than 26% stake in the project from the time of FC to commissioning and subsequently has diluted his stake, can he still claim technical qualification on the basis of this project?	As per the said Clause, a bidder is eligible to rely on the projects in which it has held 26% equity during Financial Close till its Commissioning.
5.	2.1.4  <i>..... for this Purpose Capital Expenditure incurred on projects that have been completed at least 7 ( seven) days before the last date of submission of Bid Shall be considered</i>	Bidder should be allowed to submit Capital Expenditure incurred on the project that have been completed at least 7 ( seven) days before the last date of submission of Bid on the basis of Statutory Auditor's Certificate.	Bidders may refer clause 2.1.4 & 2.1.5 of RfQ.
6.	<b>Clause 2.1.3</b> <b>Internal Resource Generation:</b> Rs. 1,140/- Crore (Rs. One thousand one hundred and forty Crore) or equivalent US\$ computed as five times the maximum internal resources generated during any of the last five years' business operations; <b>Networth:</b> Rs. 1,000/- Crore	Bidding Company's accounting year is Apr 1 to Mar 31. The latest available audited accounts are for accounting year ended on Mar 31, 2009. Audit for the accounts of accounting year ended on Mar 31, 2010 is currently being conducted by Statutory Auditors and may not get completed by the RFQ submission date i.e. May 3, 2010.  We request that for determining the variables for fulfilling technical and financial criteria as	Bidders may refer clause 2.1.3 & 2.1.5 of RfQ.  Please refer above clarification.

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	<p>(Rs. One thousand Crore) or equivalent US\$. The above computation shall be derived from any of the past three years' audited annual accounts.</p> <p><b>Annual Turnover:</b> Rs. 2,400/- Crore (Rs Two thousand and four hundred Crore) or equivalent US\$. The above computation shall be derived from any of the past three years' audited annual accounts.</p> <p><b>Clause 4.2.3.1 &amp; 4.2.3.2</b></p> <p>Last five years unconsolidated/ consolidated audited annual accounts (in accordance with Clause 2.1.5) for the calculation of Internal Resource Generation, Net Worth and Annual Turnover from business operations (consisting of unabridged Balance Sheet, P&amp;L account, profit appropriation, auditors report).</p>	<p>per section 2.1.3 and 2.1.4 of the RFQ, the applicable three years/five years or ten years, be considered ending on Mar 31, 2009, e.g. for three years it should be Accounting year Apr 1, 2006 to Mar 31, 2007, April 1 2007 to Mar 31, 2008 and April 1 2009 to Mar 31, 2009 and similarly for three and ten years specified in section 2.1.3, 2.1.4 and 2.1.5.</p> <p>Accordingly, we also request that for section 4.2.3.1 of the RFQ, only the latest available annual audited accounts for 5 years are required to be filed i.e. from accounting year April 1, 2004 to Mar 31, 2005 to accounting year April 1, 2008 to Mar 31, 2009.</p>	

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7.	Clause 2.6.2	<ul style="list-style-type: none"> <li>◆ What is the time frame envisaged for issuance of RfP?</li>   <li>◆ What is the status of Detailed project report?</li> <li>◆ Are any Rehabilitation &amp; Resettlement issues envisaged with the project related to acquisition of land?</li> <li>◆ Is the R&amp;R activity for Coal mine also in the scope of SPV? Will the cost of R&amp;R for Power Station and coal mine be mentioned in the RFP document? Who will bear the costs of R&amp;R after signing of share purchase agreement and during the construction and operation period</li> </ul>	<p>As indicated in the RfQ document (page-4), expected time frame of issuance of RfP is June 03, 2010.</p> <p>This will be provided at the RfP stage.</p> <p>This will be provided at the RfP stage.</p>
8.	<p>Clause 3.3.3 (iii)</p> <p>The technical and financial capability of a particular company shall not be used by more than one Member of a Bidding Consortium;</p>	<p>Can the same Affiliate be used for technical qualification by one member of the Bidding Consortium and be used for financial qualification by the other member of the Consortium? Conflict of interest is not happening as the Bidding Consortium remains the same.</p>	<p>As per clause 3.3.3 (iii) of the RfQ, the technical and financial capability of a particular company shall not be used by more than one Member of a Bidding Consortium”.</p>
9.	<p><b>Clause 3.3.4</b></p> <p>The Bidding Company or a Consortium Member (including</p>	<p>1.We understand that if a bidding Company A has a Parent Company B and Affiliate Companies C and D, then Company A can use <b>Combined capabilities</b> of Companies B, C</p>	<p>1. A bidder may rely simultaneously on its Parent and Affiliate. Further, the provisions of the RFQ document are clear in this regard. Please</p>

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	<p>Lead Member) can take 100% benefit of the technical (mentioned in clause 2.1.4) and financial capability (mentioned in clause 2.1.3) of a Parent or its Affiliates for the purpose of Bid Evaluation. If a Bidding Company or a member in a Bidding Consortium wishes to take benefit of the technical and financial capability of its Parent or its Affiliates, it will have to submit legally binding undertaking supported by a Board Resolution in the RfP stage from its Parent or its Affiliates that all the equity investment obligations of the Bidding Company or the Member of the Consortium shall be deemed to be equity investment obligations of the Parent or its Affiliates and in the event of any default, the same shall be met by the Parent or its</p>	<p>and D in order to meet the technical and financial requirements. Please confirm.</p> <p>2. Whether financial parameters of Bidding Company/ Affiliates of different years can be combined (instead of the same corresponding financial years) for meeting the financial qualifying requirement? Example:</p> <p>-Turnover of parent Company in FY 08-09= A  - Turnover of Affiliate in FY 07-08= B  Turnover used by Bidding Company for Qualification= A+B</p>	<p>follow the RfQ document.</p> <p>2. Financial parameters of the Bidding Company/ Affiliate/ Parent for different financial years cannot be combined for meeting particular financial criteria. Attention is drawn to the language of Annexures 9A1 to 9A3 where it is stated that the financial criteria should be based on audited annual accounts during any/ one of the last five/ three financial years.</p>

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	Affiliates.		
10.	Annexures 4 -12 General	<p>As per the format given in RFQ Annexures, the response sheets/ disclosures/ declarations as given in Annexure 4 to 12 and other documents needs to be signed or signed and certified by the Chief Executive Officer (“CEO”/Managing Director (“MD”) being full time Director of the Bidding Company or by Manager of the Bidding Company.</p> <p>We request that a Whole Time Director who is not a CEO or MD but duly authorized by a Board Resolution of Bidder Company to sign and certify these documents, be allowed to sign and certify these documents.</p>	The requirement of signing and certification by the Managing Director/ Chief Executive Officer, being a Full Time Director on the Board of the Company/ Manager is as per the Standard Bid Document (SBD) issued by the Ministry of Power, Government of India.
11.	Annexure -4	Kindly specify who should sign the Executive Summary.	Authorized Representative as authorized under the Power of Attorney by the Bidder can sign the Executive summary.
12.	Annexure 8 Know all men by these presents, We..... .....(name and address of the registered office) do hereby constitute, appoint	Kindly specify the contents in the following bracket: [Insert name]	[Insert Name] refers to “ <b>Chhattisgarh Surguja Power Limited</b> ” in this annexure

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	<p>and authorise ... The usage of coal shall be as per coal allocation letter issued by Ministry of Coal, GOI. <b>[Insert Name]</b>, representing us in all matters before <b>[Insert Name]</b>, and generally dealing with <b>[Insert Name]</b> in all matters in connection with our bid for the said Project.</p>		
13.	Annexure 9C & clause 2.1.4	<p>1) Which among the following projects can be included in Form no. 9C (Format for Technical Requirement)?</p> <ul style="list-style-type: none"> <li>i. Projects commissioned/ completed in 10 years preceding 26-Apr-2010 (7 days before last date of submission of RFQ bid)</li> <li>ii. Projects commissioned in 10 years preceding 30-Oct-2010 (180 days from the last date of submission of bid).</li> </ul> <p>OR in other words, the 10 years mentioned in the clause is to be considered from which date? We were made to understand in the course of the pre-bid conference that the 10 years is to be counted from 26-Apr-2010.</p> <p>2) It may further be clarified that, if a bidder is</p>	<p>The Projects which have been commissioned in the last 10 years preceding 7 days before last date of submission of RFQ bid shall be considered for meeting the technical requirement.</p>

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		<p>qualified on 03-Jun-2010, on the basis of projects mentioned above in (i) above, he stands qualified even on 01-Nov-2010?</p> <p>Please clarify the relevance of validity of 180 days mentioned in the clause 1.11 of RfQ, if the bidder gets qualified on 3<sup>rd</sup> June 2010?</p>	<p>The bid validity period has no relevance with the technical &amp; financial criteria which has to be met as per the relevant provisions of RFQ document.</p>
14.	Annexure 12,	<p>As per requirement of Annexure 12, Note 2</p> <p>“Latest Annual Return along with Form 20B of the Parent/ Affiliate /Ultimate Parent/ Group Company (only in case of Company having no UMPPs)”</p> <p>Bidding Company need to submit latest Annual Report along with Form 20B.</p> <p>In our case, the Ultimate Parent of the Bidding Company is a company indirectly holding majority stake in equity shares capital of the Parent. <i>There are intermediate special purpose vehicles between Parent and Ultimate Parent, which are wholly owned subsidiaries of Ultimate Parent (“Intermediate SPV Companies”).</i></p>	

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		<p>1. We request that the Parent/ Affiliate/ Ultimate Parent/ Group Company covered for submission of Annual Return alongwith Form 20B, should only be the companies for which Bidding Company proposes to take benefit of their support for fulfillment of technical and financial capacity requirement under section 2.1.3 and 2.1.4 of the RFQ.</p> <p>2. We request that the Parent/ Affiliate/ Ultimate Parent/ Group Company covered for submission of Annual Return alongwith Form 20B by the Bidding Company, do not include Intermediate SPV Companies described above.</p> <p>3. "Annual Return and Form 20 B" requirement may not be applicable for Ultimate Parent, Affiliates or Intermediate SPV Companies if those are foreign companies. Please confirm that Annual Return alongwith Form 20 B is not required to be submitted by Bidding Company for Ultimate Parent, Affiliates or Intermediate SPV Companies <i>if those are foreign companies.</i></p> <p>4. We request that for, <i>unrelated foreign</i> companies which are owned by the foreign</p>	<p>The bidder is required to submit the Annual Returns of all its Affiliate/ Parent/ Ultimate Parent /Group Company.</p> <p>As per the requirement of Annexure 12, the bidder is required to submit Annual Returns of all its Parent/ Affiliate/ Ultimate Parent /Group Company.</p> <p>The bidder is required to submit the Annual Returns of all its Parent/ Affiliate/ Ultimate Parent /Group Company along with Form 20B or equivalent Filing in case of Foreign companies.</p>

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		Ultimate Parent and <i>not having any assets or operations India</i> , documents required as per of Annexure 12, Note 2 <i>be not required to be submitted by Bidding Company.</i>	
15.	General	Necessary support wherever required shall be provided to obtain all necessary consents/ clearances/ permits for completion of the Project.	The responsibilities/ tasks to be performed by the Procurer are defined in the Competitive Bidding Guidelines and the Standard Bidding Documents issued by Ministry of Power. However, necessary support may be provided to obtain necessary consents/ clearances/ permits for completion of the Project at State/ Central Government level.
16.	<b>General</b>	<ul style="list-style-type: none"> <li>○ We presume that the SPV will acquire the land for the coal mine also.</li> <li>○ Also the environment clearance and forest clearance, if any, for coal mine will be obtained by the SPV / procurer, please clarify.</li> <li>○ Please provide the location map of the land under acquisition.</li> <li>○ Please provide current status of land acquisition.</li> </ul>	<p>The responsibility of Authorised Representative will be as per Competitive Bidding Guidelines and Standard Bidding Documents issued by Ministry of Power</p> <p>Can be provided at the RfP stage.</p> <p>At present Notification under Section -4 of the Land Acquisition Act, 1894 has</p>

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		<ul style="list-style-type: none"> <li>○ Please provide details of water linkages such as source of water, quantity of water, distance of source from proposed plant location etc.</li>   <li>○ What all infrastructure is to be created in order to get the requisite water supply and who will be responsible for creating such infrastructure.</li> </ul> <p>What about following:</p> <p>ROW for MGR or conveyors from Mines to Site. ROW for Water pipeline</p> <p>Whether zero discharge is required or treated waste water can be discharged. Incase there is discharge, where is the location.</p>	<p>been issued by the State Government.</p> <p>The water source is the Rehar River.</p> <p>Water quantity of about 135 MCM per year has been allocated by the Water Resources Deptt., Government of Chhattisgarh.</p> <p>The source of water is appx. 3 km from the proposed Project site.</p> <p>A study is being undertaken by the Water Resources Deptt. (WRD), Government of Chhattisgarh for the same. The details are expected to be provided at the RfP stage.</p> <p>A study is being undertaken for the same. The details can to be provided at the RfP stage.</p> <p style="text-align: center;">-Do-</p>

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17.	General	Kindly provide:  a) Status of ToR for the Power project  b) Copy of Rapid EIA study	Approval obtained from MoEF.  Will be provided at RfP stage.
18.	General	Kindly provide the Coal transportation feasibility study	Will be provided at RfP stage.
19.	General	Kindly provide: Guarantee for water quantity throughout the year particularly during summer months	Chhattisgarh WRD gave approval for 135 MCM water from Rehar rivers.
20.	General	Kindly provide: a) The timelines proposed to acquire the entire land required for the project  b) Indicate the percentage of land held by Schedule Tribes, Forest Dept., Private parties and Government. c) Forest clearance and R & R issues if any  d) The Latitude and Longitude of the Project site	a) As per GOI guidelines and RfQ/RfP documents.  b) Can be provided at RfP stage.  c) Under Progress  e) Latitude: 22°57'42" to 22°59'07" Longitude: 82°55'10" to 82°56'32"

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21.	General	Kindly provide:  a) Geological Survey Report along with Proximate & Ultimate analysis of Coal. b) Status of statutory approvals for the Coal Mines Kindly clarify whether: The Mines are regionally explored or wholly explored	The copy of the geological reports as made available by Geological Survey of India for the coal Blocks will be provided at the RfP stage.
22.	General	Kindly provide details about availability of Construction supply close to the Project site.	Will be provided by Discoms of Chhattisgarh as per prevailing terms and conditions.
23.	General	Kindly provide Load flow study/ Evacuation plan prepared by PGCIL and details of nearest PGCIL/ STU substations.	This will be provided at the RfP stage.
24.	General	Can a tentative date be informed for the arrangement of Site Visit including Coal Blocks?	The developers may visit site at their own convenience.
25.	General	Can Bidding Company use the RfQ documents that has purchased by its Parent/Affiliates?	Reference is drawn to Point No. 1 of the Note, which states that the RfQ document is not transferable. Since, Parent/ Affiliate are separate entities, the RfQ document purchased by them cannot be used by the bidding company. However, as per clause 2.5.1.4, the RfQ document can be

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			purchased by any member of the Bidding Consortium.
26.	General	The commencement of supply within 69 months means commissioning of a single unit OR Commissioning Operation Date (COD) as defined under PPA.	It is commissioning of 1 <sup>st</sup> unit of the Project.
27.		<ul style="list-style-type: none"> <li>◆ Two coal blocks have been allocated on 09.09.09, as per the time limit ceilings of Ministry of Coal does the following activities have been completed: <ul style="list-style-type: none"> <li>◆ Purchase of Geological report</li> <li>◆ Submission of Bank Guarantee</li> <li>◆ Submission of Mining lease application</li> </ul> </li> <li>◆ If Geological report has been purchased will the same be provided in RFP stage</li> <li>◆ Recently the Forest Advisory Committee of MoEF rejected diversion proposals of four (4) coal blocks in the Hasdeo-Arand Coalfields due to dense forest area What is the amount of forest cover in the two coal blocks allotted. What will be the strategy in case Forest clearance is not granted to the two coal blocks.</li> <li>◆ Will excess/surplus coal production from the mines in any year be allowed to divert to other Power Plants of the bidder or sale to third</li> </ul>	The copy of the geological reports as made available by Geological Survey of India for the coal Blocks will be provided at the RfP stage. Other details can be provided at the RfP stage.

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		<p>party, after fully meeting the needs of UMPP.</p> <ul style="list-style-type: none"> <li>◆ What is the accuracy of information pertaining to indicated capacities of coal mines as 421.51 MT for Pindarakhi and 692.16 MT for Puta Parogia.</li> </ul>															
28.	General	<ul style="list-style-type: none"> <li>◆ What will be the storage period for water</li> <li>◆ We request SPV to acquire land for pipeline/channel.</li> </ul>	<p>The storage period for water will be minimum for 20 days.</p> <p>This information will be provided at the Rfp stage.</p>														
29.	General	<ul style="list-style-type: none"> <li>◆ There are seven (7) procurers mentioned in the RfQ document. Who is the lead procurer and what is the proportion of 4000 MW distribution</li> </ul>	<p>Chhattisgarh State Power Distribution Co. Ltd. in the State of Chhattisgarh in India is a lead Procurer.</p> <p>The proportion of 4000 MW distribution as allocated by Ministry of Power is as follows:</p> <table data-bbox="1413 1098 1912 1350"> <tbody> <tr> <td>Chhattisgarh</td> <td>2000 MW</td> </tr> <tr> <td>Maharashtra</td> <td>1000 MW</td> </tr> <tr> <td>Madhya Pradesh</td> <td>425 MW</td> </tr> <tr> <td>Gujarat</td> <td>275 MW</td> </tr> <tr> <td>Goa</td> <td>200 MW</td> </tr> <tr> <td>Daman Diu</td> <td>50 MW</td> </tr> <tr> <td>Nagar Haveli</td> <td>50 MW</td> </tr> </tbody> </table>	Chhattisgarh	2000 MW	Maharashtra	1000 MW	Madhya Pradesh	425 MW	Gujarat	275 MW	Goa	200 MW	Daman Diu	50 MW	Nagar Haveli	50 MW
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			(This may change at the time of signing of PPA)
30.	General	<ul style="list-style-type: none"> <li>◆ Financial closure within 12 months from Effective date might not be achievable given the size of the Project and volatile economic scenario</li> </ul>	Please follow model Power Purchase Agreement attached with RfQ document.
31.	General	<ul style="list-style-type: none"> <li>◆ Details and division of responsibility for land acquisition and clearances related to Intake water system and coal transportation may please be clarified.</li> <li>◆ Are there any restrictions on sourcing equipment from foreign suppliers.</li> </ul>	This can be provided at the RfP stage
32.	General	<p>“A Company qualifies as a sole bidder at the RFQ stage and later decides to form a consortium for the RFP stage. Would it be allowed for the Company to form a consortium with any other Qualified Bidder to participate in the RFP?”</p>	A qualified Bidder is not allowed to form a consortium with another qualified bidder after the RfQ stage.
33.	General	<p>Is there any possibility of any pre-condition on the selection of main plant and BoP suppliers to Surguja UMPP being restricted to those already having or planning to have manufacturing facilities in India (along the same lines as was done for bulk procurement for NTPC &amp; DVC)? Is there any possibility of the same for future UMPPs?</p>	Presently, there is no such pre-condition in the RfQ for the subject project. The Government of India is deliberating on this issue. However, this pre-condition may or may not apply for this project but may be possible for future project.
34.	General	In the course of the conference, it was informed	The usage of coal shall be as per coal

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		that extra coal from the allotted mine can be used for projects other than Surguja (after meeting the requirements of Surguja UMPP) along the same lines as has been allowed for Sasan. Can it be used for any power capacities to set up in the same area/different area, or it can also be sold to other entities?	allocation letter issued by Ministry of Coal, GOI.