

Power Company of Karnataka Limited (PCKL), Government of Karnataka Undertaking

**Competitive Bidding for Long Term Power Procurement under Case-2 for
Bid Process No. 02/LTPP/2007 (Chamalapura, Mysore District)
Bid Process No. 03/LTPP/2007 (Jewargi, Gulbarga District)
Bid Process No. 04/LTPP/2007 (Ghataprabha, Belgaum District)**

Further to Clarifications & Amendments issued to Bidders on October 8th, 2007, PCKL hereby issues additional clarifications & amendments to the RFQ Documents. These clarifications & amendments are issued in response to further queries received from some Bidders. These Further Clarifications & Amendments to RFQ shall be applicable to all three Bid Processes, and shall be treated as supplemental to the original RFQ and the Clarifications & Amendments to RFQ issued on October 8th, 2007.

Further Clarifications & Amendments to RFQ
November 14, 2007

S. No.	Clause Reference	Original RFQ Text / Clarification sought by Bidders	Clarification / Amendment
1	Original RFQ: Annexure 7 (Formats for Financial & Technical Requirement)	Bidders have submitted that in case the audited annual accounts of a Bidder are prepared in a currency other than Rs. or US\$, Bidders should be allowed to submit the forms required in Annexure 7 of the original RFQ (RFQ issued prior to Clarifications issued on October 8 th , 2007) should be allowed to be submitted in that currency (i.e., the currency of the Bidder).	<p>It is clarified that:</p> <p>In order to meet the qualifying criteria, the bidder is required to meet the requirements in Rs. or equivalent US\$, as provided in the Appendix 10 of the Clarifications & Amendments to RFQ Documents issued on October 8th, 2007.</p> <p>In case the audited annual accounts of a Bidder are prepared in a currency other than Rs. or US\$, the Bidder may provide the information in US\$, accompanied with a certificate stating the foreign exchange conversion rate between the Bidder's respective currency and US\$, applicable on the</p>

Power Company of Karnataka Limited, Government of Karnataka

			date of the Financials (Balance Sheet and P&L Account) of the applicable year. Such certificate should be provided by an International Bank having operations in India or by State Bank of India present in the country of such Bidder.
2	RFQ: General	Bidders have asked whether it is permitted for one company to purchase the RFQ Documents, and another company of the same group to submit the response to RFQ.	<p>It is clarified that it is not permitted for one company to purchase the RFQ Documents, and another company of the same group to submit the response to RFQ.</p> <p>For avoidance of doubt, it is further clarified that as per the Clarifications & Amendments to RFQ issued on October 8th, 2007 (Clarification No.12 of Section B), a Bidding Consortium can participate in the bidding process if any Member of the Bidding Consortium has purchased the RFQ Documents.</p>
3	Clarifications & Amendments to RFQ issued on October 8 th , 2007 – Clarification No. 6 of Section B, and Appendix 10C, 10D: (Technical Requirement)	<p>Bidders have submitted that:</p> <p>1. Equity stake of the Bidding Company or its Parents / Affiliates or Lead Member or its Parents / Affiliates (in case of a Bidding Consortium), in the projects used for technical qualification from Financial Closure till completion / commissioning should not be required to be submitted.</p>	<p>It is clarified that:</p> <p>1. It is clarified that Bidders should provide equity held in the project from the time of Financial Closure to completion / commissioning should be provided. If a project has been executed on the balance sheet of the Bidder, and not through a special purpose vehicle or project company, the Bidder shall provide a certificate stating the same. Such certificate shall be signed and stamped by the Statutory Auditor and Company Secretary / Managing Director / CEO, being a whole-time Director / Manager appointed under the Companies Act, 1956 / any other person authorised under a Board Resolution.</p>

Power Company of Karnataka Limited, Government of Karnataka

		<p>2. Bidders should be allowed to provide the cost of project as on March 31st, 2007, and not necessarily at the time of completion / commissioning.</p> <p>3. Instead of date of completion / commissioning, Bidders should be allowed to provide year of completion / commissioning.</p>	<p>2. It is clarified that the Bidders are allowed to provide the cost of project as on March 31st, 2007, and not necessarily at the time of completion / commissioning.</p> <p>3. Bidders may note that the projects under reckoning for the technical qualifications need to be within the last 10 years, ending 7 days before the bid deadline. It is therefore clarified that if the projects under reckoning for technical qualification has been completed in FY 98-99 to 07-08, the Bidders are allowed to provide year of completion / commissioning, with a clear statement of reason why the bidder is unable to provide exact dates of completion. The statement of reasoning should be signed as required in the format. However, if a project has been completed / commissioned in FY 97-98, the Bidder shall provide the date of completion / commissioning in DD/MM/YY format.</p>
4	Clarifications & Amendments to RFQ issued on October 8 th , 2007 – Clarification No. 8 of Section B, and Appendix 10C, 10D: (Common Seal)	<p>Bidders have submitted that Common Seal should be required to be affixed only on the Power of Attorney given by the company to the Authorised Signatory, and not on all documents in the response to RFQ.</p> <p>Once the Common Seal of the Company is affixed on the Power of Attorney in favour Authorised Signatory, then all documents signed by such Authorised Signatory are binding on the Company.</p>	<p>It is clarified that the Bidders shall provide Common Seal on the following documents:</p> <ol style="list-style-type: none"> 1. Joint Deed Agreement (Appendix 12 of Clarifications & Amendments to RFQ issued on October 8th, 2007) 2. Power of Attorney (Form 1 and 2, as per Original RFQ and Clarifications & Amendments to RFQ issued on October 8th, 2007) 3. Disclosure (Appendix 13 of Clarifications & Amendments to RFQ issued on October 8th,

Power Company of Karnataka Limited, Government of Karnataka

			<p>2007)</p> <p>On the following documents, rubber seal may be provided:</p> <ol style="list-style-type: none"> 1. Cover Letter (Appendix 8 of Clarifications & Amendments to RFQ issued on October 8th, 2007) 2. Executive Summary (Appendix 8 of Clarifications & Amendments to RFQ issued on October 8th, 2007) 3. Letter of Consent (Annexure 8 of Original RFQ) 4. Affidavit (Annexure 10 of Original RFQ) 5. Formats for Financial and Technical Requirement (Appendix 10 of Clarifications & Amendments to RFQ issued on October 8th, 2007)
5	<p>Clarifications & Amendments to RFQ issued on October 8th, 2007 – Appendix 10: Formats for (Financial & Technical Requirement)</p>	<p>Bidders have submitted that the Formats for Financial and Technical Requirement should not be required to be printed on the letterhead of Bidding Company / Parent / Affiliate / Each Member of the Bidding Consortium, as the case may be. The Statutory Auditor, who is required to sign the certificate jointly with the Bidding Company / Members of Consortium / Parent / Affiliate, cannot issue and sign the certificate on the letterhead of the Bidding Company / Members of Consortium / Parent / Affiliate. Instead.</p> <p>All such certificates, which need to be signed jointly by the Bidding Company / Members of Consortium / Parent / Affiliate and the Statutory</p>	<p>It is clarified that that the Formats for Financial & Technical Requirement, need not be provided on the letterhead of the Bidding Company / Parent / Affiliate / Each Member of the Bidding Consortium, as the case may be. Formats for Financial & Technical Requirement, may be provided on a plain paper.</p>

Power Company of Karnataka Limited, Government of Karnataka

		Auditor, should be required to be submitted on plain paper and not on the letterhead of the Bidding Company / Members of Consortium / Parent / Affiliate.	
6	Clarifications & Amendments to RFQ issued on October 8 th , 2007 – Appendix 10: Formats for (Financial & Technical Requirement)	<p>The existing Note 1 of the Appendix 10A to 10D of Clarifications & Amendments to RFQ issued on October 8th, 2007, reads as follows:</p> <p>“The above response sheet should be signed and certified as true by Managing Director / Chief Executive Officer who is a full time director on the Board of Director of the Company and Statutory Auditor of the Bidding Company or Member of Bidding Consortium.”</p>	<p>The existing Note 1 of the Appendix 10A to 10D of Clarifications & Amendments to RFQ issued on October 8th, 2007, shall be amended as follows:</p> <p>“The above response sheet should be signed and certified as true by Company Secretary / Managing Director / CEO, being a whole-time Director / Manager appointed under the Companies Act, 1956 / any other person authorised under a Board Resolution, and the Statutory Auditor of the Company.”</p>
7	Clarifications & Amendments to RFQ issued on October 8 th , 2007 – Appendix 12: Joint Deed Agreement	<ul style="list-style-type: none"> • Para 1st on of the Joint Deed Agreement (on page 1) at Appendix 12 of Clarifications & Amendments to RFQ issued on October 8th, 2007. 	<ul style="list-style-type: none"> • The following sentence shall be added to the para 1st of the Joint Deed Agreement (on page 1) at Appendix 12 of Clarifications & Amendments to RFQ issued on October 8th, 2007: <p>“The group of Partner 1, Partner 2, Partner 3, and Partner 4, shall be referred to as the Bidding Consortium. Each member of the Bidding Consortium shall be individually referred to as “Partner”, and collectively as “Partners”.”</p>
8	Clarifications & Amendments to RFQ issued on October 8 th , 2007 – Appendix 9: Executive Summary	<p>Bidders are required to provide the Gross Installed Capacity (MW) offered in the Executive Summary.</p> <p>Bidders have submitted that in the Pre-Bid Conference held on September 21st, 2007, it was</p>	<p>It is clarified that Bidders are allowed to revise the capacity offered in the response to RFQ, at the RFP stage. The Bidder must intimate PCKL/Procurers of such revised capacity at least 30 days before the deadline for submission of response to RFP. Such revised capacity shall be</p>

Power Company of Karnataka Limited, Government of Karnataka

		<p>asserted by PCKL that Gross Installed Capacity (MW) offered by Bidders at the RFQ stage shall not be allowed to be revised at the RFP stage. Bidders have submitted that unit configuration and ultimate plant capacity depend on several factors and it is not possible to freeze these at the RFQ stage itself.</p> <p>Bidders should therefore be allowed to revise the Gross Installed Capacity (MW) offered at the RFP stage.</p>	<p>subject to the Financial and Technical Qualification Criteria, as provided the original RFQ and Clarifications & Amendments to RFQ issued on October 8th, 2007.</p> <p>However, such offered capacity shall be within the capacity range specified in the Clarifications & Amendments to RFQ, issued on October 8th, 2007 (clarification no. 4 of Section A)</p>
9	<p>Original RFQ: Clause 5.2.4 (Parent / Affiliate)</p>	<p>The clause 5.2.4 of the original RFQ reads as follows”</p> <p>“The Bidding Company or a Bidding Consortium Member (including Lead Member) can take 100% benefit of the technical experience (mentioned in Section 3.2.4) and financial capability (mentioned in Section 3.2.3) of a Parent and / or its Affiliates for the purpose of Bid Evaluation, subject to the Bidding Company or a Bidding Consortium member (including Lead member) submitting a legally binding undertaking supported by a board resolution in the RFP stage from its Parent company and / 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 company and / or its Affiliates and in the event of any default, the same shall be met by the Parent company and / or its Affiliates. Moreover, the Bidding Company or the Bidding</p>	<p>It is clarified that the certificate mentioned in the clause 5.2.4 shall be accompanied by the documentary evidence as mentioned in the clause 6.3.1 (5) of the original RFQ.</p> <p>Documentary evidence shall mean the proof of shareholding, including but not limited to, Certified Copy of Demat Account Statement, Certified Copy of Share Certificated etc.</p>

Power Company of Karnataka Limited, Government of Karnataka

		<p>Consortium Member shall have to provide a certificate stating the exact relationship with such Parent / Affiliates including exact details about the equity shareholding. Such certificate shall be certified by the Company Secretary and one of the Directors of the Bidding Company / Bidding Consortium Member. These documents will be attached along with Annexure 6.”</p>	
10	<p>Clarifications & Amendments to RFQ issued on October 8th, 2007 – Appendix 10 B (1,2,3) : Formats for Financial and Technical Requirement</p>	<p>Formats under Appendix 10B1, 10B2, and 10B3 require the Lead Member of a Bidding Consortium to provide Internal Resource Generation, Net Worth and Turnover, consolidated for the Bidding Consortium. These formats are required to be signed and stamped by the Statutory Auditor.</p> <p>Bidders have submitted that the Statutory Auditor of the Lead Member would be unwilling to sign and stamp these consolidated formats, and therefore an alternative mechanism should be provided.</p>	<p>It is clarified that Appendix 10B1, 10B2, and 10B3 may be signed and stamped by the Company Secretary / Managing Director / CEO, being a whole-time Director / Manager appointed under the Companies Act, 1956 / any other person authorised under a Board Resolution.</p>
11	<p>Clarifications & Amendments to RFQ issued on October 8th, 2007 – Appendix 10 and Appendix 13</p>	<p>The formats provided in the Appendix 10 and Appendix 13 are required to be signed by the Managing Director / Chief Executive Officer who is a full time director on the Board of Director of the Company.</p> <p>Bidders have submitted that the formats provided in the Appendix 10 and Appendix 13 should be allowed to be signed by the Managing Director / Chief Executive Officer who is a full time director on the Board of Director of the Company, or a Manager appointed under the</p>	<p>It is clarified that the formats provided in the Appendix 10 and Appendix 13 may be signed by the Managing Director / CEO, being a whole-time Director / Manager appointed under the Companies Act, 1956 / any other person authorised under a Board Resolution.</p>

Power Company of Karnataka Limited, Government of Karnataka

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Joint Director

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