

Following communications were received from different potential bidders:-

1. HECATE POWER SERVICES LIMITED – (a) Letter No. HPSL/JV/Coal/09/432 dated September 22, 2009 (b) Letter No. HPSL/JV/Coal/09/432 dated September 10,2009
2. THRIVENI EARTHMOVERS PRIVATE LIMITED – Letter No. DEL/KKS/PSEB/Comm/02 dated September 17,2009
3. EASTERN MINERAL TRADING AGENCY (EMTA) – (a) Letter No. Nil dated September 16, 2009, (b) PANEM Coal Mines Limited's Letter No. Nil dated October 08, 2009, (c) PANEM Coal Mines Limited's Letter No. Nil dated November 20,2009
4. SADBHAV ENGINEERING LIMITED – (a) Letter No. SEL/PSEB/2009-2010 dated September 15,1009
5. ADHUNIK METALIK'S LIMITED e-Mail dated September 18,2009
6. WELSPUN URJA INDIA LIMITED'S – (a) Letter no. WUIL/PSEB/09-10/1216 dated September 18,2009, (b) Letter No. Nil. dated October 15, 2009
7. CALCUTTA INDUSTRIAL SUPPLY CORPORATION Letter No. Nil dated September 17, 2009
8. MONET ISPAT & ENERGY LIMITED – (a) e-Mail dated 18/09/09, (b) Letter No. MIEL/BD/HO/PSEB/2009-10/November 12/1 dated November 12,2010, (c) Letter No. MIEL/BD/HO/PSEB/2009-10/January 5/1 dated January 05,2010,
9. SUNFLAG IRON AND STEEL COMPANY LIMITED – (a) Letter No. SF/09/PSEB-Coal JV/056 dated September 18,2009, (b) Letter No. SF/09/PSEB-Coal JV/062 dated September 22,2009
10. LARSEN & TOUBRO LIMITED – (a) Letter No. EOI/JV Partner dated January 05, 2010 ,
11. AMR CONSTRUCTION LIMITED – (a) Letter No. AMR/PSEB –JV/2010 dated 04/01/2010
12. INDO RAMA SYNTHETICS (INDIA) LIMITED – (a) Letter No. Nil dated December 21, 2009

13. STERLITE INDUSTRIES LIMITED – e-Mail dated September 18,2009

14. G.S.ATWAL & COMPANY (ENGINEERS) PRIVATE LIMITED - – e-Mail dated September 18,2009

The queries raised by aforesaid bidders had been noted by PSEB and all the queries raised have been divided into two parts –

Part A: These required amendment of the existing clause of the bid document and thus approval of the Board Members of PSEB (The approval have been obtained).

Part B: Do not involve any amendment, only clarification from PSEB’s stand point have been provided

Please find below the replies of the different queries raised by the potential bidders:

Part A: Clauses of Bid Documents which have been Amended (as per the approval of the Board)

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
1	2.1.2.4	<ol style="list-style-type: none"> 1. Hecate Power Services Limited 2. Welspun Urja Ltd 3. Monnet Ispat & Energy Limited 4. Sadbhav Engineering Private Limited 5. Sterlite Industries (i) Limited 6. L & T Limited 	The bidder should have at least three (3) million metric tones of coal/lignite & other minerals per year mining works in hand on open cast/underground mine per year during last three (3) years.	<p>The Bidder should be operating of its own at least three (3) million metric tons of coal/lignite per year mining works by open cast mining process during last three (3) financial years.</p> <p>or</p> <p>The Bidder should be operating of its own at least one and half (1.5) million metric tons of coal/lignite per year mining works by underground mining process during last three (3) financial years.</p> <p>or</p> <p>The bidder should be operating of its own at least three (3) million tons of coal/lignite per year mining works by combination of both opencast and underground mining</p>

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
				process during last three (3) financial years.
2	2.1.4	<ol style="list-style-type: none"> 1. Hecate Power Services Limited 2. Adhunik Metaliks Limited 3. Sterlite Industries (I) Limited 4. Welspun Urja Ltd 5. L & T Limited 	The Bidder may seek qualification on the basis of financial capability of its parent Company and/or its affiliate(s) for the purpose of meeting the qualification requirements. The financial capability of a particular parent Company (ies) and/or Affiliates shall not be considered.	The Bidders may seek qualification on the basis of technical capability of its Parent Company and/or its subsidiary company over and above of its own technical capability for the purpose of meeting the Technical Qualification Requirements. The bidders should have a proven track record in mining apart from its parent or subsidiary company. The financial capability of bidder only on standalone basis will be considered for the purpose of Financial Qualification Requirements. The financial capability of the parent company or subsidiary company will not be considered in this regard. Bidder should also note that neither the technical nor financial capability of its other consortium member will be considered for Technical and Financial Qualification Requirements.
3	2.1.1	<ol style="list-style-type: none"> 1. Calcutta Industrial Supply Corporation (CISC) 2. Triveni Earthmovers Private Limited 3. Adhunik Metaliks Limited 4. Welspun Urja 	Further, a bidding consortium can not participate in the bidding process.	A bidding consortium can participate in the bidding process. However, in case of consortium bidding, one of the consortium members will be clearly defined as consortium leader. The consortium leader should fulfill all the requirements of a Bidder. Pursuant to clause No. 2.1.4, the technical capability of only the consortium leader or its parent or its subsidiary company will be considered for Technical Qualification Requirements. For Financial Qualification Requirements, the financial capability of only the consortium leader will be considered. Therefore, for technical and financial qualification requirements, no other consortium member's technical and financial capability will

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
		Ltd 5. Monnet Ispat & Energy Limited 6. Sterlite Industries (I) Limited 7. Sun Flag Iron & Steel Company Ltd 8. G. S. Atwal & Company (Engineers) Pvt. Ltd 9. Panem Coal Mines Limited 10. L & T Limited		<p>be considered. The terms and conditions for consortium formation will be as follows:</p> <p>(a) The lead member of the consortium members will be legally responsible to PSEB for any other subsequent activities.</p> <p>(b) One party can participate only in one consortium. If it is found that a single party has participated in more than one consortium, then all such bids will be cancelled.</p> <p>(c) The consortium members can invest in the Coal mining projects of the JV company. However, under any circumstances total stake in the JV company of all the consortium members shall not exceed 49% in JV company.</p> <p>(d) The board representation in JV company by the consortium members or distribution of day to day management of JV company amongst the consortium members will be decided by themselves, PSEB has nothing to do in this. However, the total representation in the board of the JV company will be restricted to Four (4) only.</p> <p>(e) Any subsequent change in membership of the consortium requires PSEB's approval.</p> <p>(f) The consortium leader should give undertaking to PSEB that if any member of the consortium decides to leave consortium subsequently, then the lead member will bring the investment made by the members who is leaving, so that the operation of JV company will remain uninterrupted.</p>

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
				(g) Any investment especially in the form of unsecured loan by the consortium members should be pre-approved by PSEB.
4	2.3.5	<ol style="list-style-type: none"> 1. Calcutta Industrial Supply Corporation (CISC) 2. Triveni Earthmovers Private Limited 3. Adhunik Metaliks Limited 4. Welspun Urja Ltd 5. Monnet Ispat & Energy Limited 6. Sterlite Industries (I) Limited 7. Sun Flag Iron & Steel Company Ltd 8. G. S. Atwal & Company (Engineers) Pvt. Ltd 	Bid submitted by a bidding consortium will not be accepted	Bid submitted by a Bidding Consortium will be accepted, pursuant to clause No. 2.1.1

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
5	2.2.5	<ol style="list-style-type: none"> 1. Calcutta Industrial Supply Corporation (CISC) 2. Triveni Earthmovers Private Limited 3. Sadbhav Engineering Ltd. 4. Monnet Ispat & Energy Limited 5. Sterlite Industries (I) Limited 	<p>Although all procedural assistance will be provided by PSEB and PSEB will help and use its offices in getting allotment of the block by the Ministry of Coal, it will be the entire responsibility of the party entering into JVC to follow up the proposals with concerned authorities for selection & allocation of a viable block. The bidder shall be responsible for allotment of mining block within 6 months from the date of formation of JV Company; this period can be extended further upto six months, and shall be able to start production of coal within 3 years from the date of allotment of mining block.</p>	<p>Although all procedural assistance will be provided by PSEB and PSEB will help and use its offices in getting allotment of the block by the Ministry of Coal, it will be the entire responsibility of the party entering into JVC to follow up the proposals with concerned authorities for selection & allocation of a viable block. The bidder shall be responsible for allotment of mining block within six (6) months from the date of formation of JV Company. Subsequent to that, if coal block will not be allotted within the stipulated period of Six (6) months, the time period will be extended or penalty will be levied, will depend on the review of performance of the JV company by a high level empowered committee of PSEB once in 6 months. If it has been experienced by the high level empowered committee of PSEB that the delay is not due to fault of JV company, the time period will be extended for six months, otherwise, penalty charges will be levied pursuant to clause No. 2.2.12. The review will be done at an interval of every 6 months.</p> <p>The JV partner should be able to start production of coal within Three (3) years from the date of allotment of mining block. In this case also, if JV partner will not be able to start coal production within the stipulated time period of Three (3) years, the high level committee of PSEB will review the whole situation. If they are convinced that this delay is not due to the fault of JV partner, the period will be extended for six months, otherwise penalty will be levied pursuant to clause No. 2.2.13. The review will be</p>

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
				done at an interval of every 6 months.
6	2.2.12	1. Calcutta Industrial Supply Corporation (CISC) 2. Triveni Earthmovers Private Limited 3. Sadbhav Engineering Ltd. 4. Monnet Ispat & Energy Limited 5. Sterlite Industries (I) Limited	Penalty: The bidder shall be responsible for allotment of mining block within six months from the date of formation of JVC. This period can be extended further upto six months. If the allotment of mining block is delayed from six months from the date of formation of JVC plus extension in period allowed by PSEB if any, the successful bidder shall have to pay penalty at the rate of Rs 10 Lacs (Ten Lacs) per month or part thereof for the delay period. If the allotment is further delayed, PSEB shall have the right to terminate the contract agreement without any liability to PSEB and the Performance Guarantee submitted by the company towards security deposit shall be got encashed by PSEB and entire amount forfeited.	Penalty: The bidder shall be responsible for allotment of mining block within six (6) months from the date of formation of JVC. Subsequent to that, if coal block is not got allotted within the stipulated period of 6 months, whether the time period will be extended or penalty will be levied, will depend on the review of performance of the JV company by a high level empowered committee of PSEB once at an interval of every 6 months. If it has been experienced by the high level empowered committee of PSEB that the delay is not due to fault of JV company, the time period will be extended for six months, otherwise, penalty charges will be levied at the rate of Rs 10 Lacs (Ten Lacs) per month or part thereof for the delay period. If the high level committee of PSEB feel that the JV partner is not capable enough to get the coal block allotted, PSEB shall have the right to terminate the contract agreement without any liability to PSEB and the Performance Guarantee submitted by the JV partner towards security deposit shall be encashed by PSEB and entire amount will be forfeited.
7	2.2.13	1. Calcutta Industrial Supply Corporation (CISC)	Similarly, the bidder shall be able to start mining of coal within three years from the date of allotment of mining block. If the mining of the coal is delayed from three years,	Similarly, the bidder shall be able to start mining of coal within three (3) years from the date of allotment of mining block. In this case also, if JV partner is not able to start coal production within the stipulated time period of 3 years, the high level committee of PSEB will review the whole

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
		2. Triveni Earthmovers Private Limited 3. Sadbhav Engineering Ltd. 4. Monnet Ispat & Energy Limited 5. Sterlite Industries (I) Limited	from the date of allotment of mining block the successful bidder shall have to pay penalty at the rate of Rs 10 Lacs (Ten Lacs) per month or part thereof for the delayed period.	situation. If they are convinced that this delay is not due to the fault of JV partner, the period will be extended for six months, otherwise penalty will be levied at the rate of Rs 10 Lacs (Ten Lacs) per month or part thereof for the delayed period. The review will be done at an interval of every 6 months. If the high level committee of PSEB feel that the JV partner is not capable enough to start coal mining, PSEB shall have the right to terminate the contract agreement without any liability to PSEB and the Performance Guarantee submitted by the company towards security deposit shall be en-cashed by PSEB and entire amount will be forfeited.
8		1. Calcutta Industrial Supply Corporation (CISC) 1. Triveni Earthmovers Private Limited 2. Welspun Urja Ltd 3. Monnet Ispat & Energy Limited 4. Hecate Power Services Limited	Last date of submission of bid	Last date of submission of bid has been extended to 16 / 03/2010

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
		5. Sadbhav Engineering Ltd.		
9		FOR THE INFORMATION OF ALL THE BIDDERS	If at any stage of the bidding process, any order / ruling is found to have been passed in the last five (5) years preceding the Bid Deadline by an Appropriate Commission or a competent court against any Bidder or its Affiliates for its material breach of any contract for supply of coal having duration of contract in excess of one (1) year to any beneficiary in India, Bids from such Bidders shall be liable to be rejected. All Bidders shall confirm in accordance with Format 4.1 that no such order / ruling has been passed by an Appropriate Commission or a competent court against it or its Affiliates. Each Bidder shall also confirm that the bid security submitted by the Bidder or its Affiliates has not been forfeited either partly or wholly in any bid process in the last five (5) years	If at any stage of the bidding process, any order / ruling is found to have been passed in the last five (5) years preceding the Bid Deadline by an Appropriate Commission or a competent court against any Bidder or its Affiliates for its material breach of any contract for supply of coal having duration of contract in excess of one (1) year to any beneficiary in India, Bids from such Bidders shall be liable to be rejected. All Bidders shall confirm in accordance with Format 4.1 that no such order / ruling has been passed by an Appropriate Commission or a competent court against it or its Affiliates. Each Bidder shall also confirm that the bid security submitted by the Bidder or its Affiliates has not been forfeited either partly or wholly in any bid process <u>relating to COAL SUUPLIES ONLY</u> in the last five (5) years preceding the Bid Deadline.

Sr. No.	Para /Clause No.	Name of the bidders suggested /requested	Existing Clause	Amended Clause as Approved by the Board
			preceding the Bid Deadline.	

Part B: Clauses which have been clarified by PSEB and which have not been amended.

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
1		BG Validity	The validity of the Bank Guarantee should be clarified.	1. Calcutta Industrial Supply Corporation (CISC)	It has been mentioned that bid will remain valid for 120 days and PSEB would like to clarify that the validity of the Bank Guarantee shall be 120 days.
2		Technical Details of Coal Handling Plant and Washery	In the absence of any technical details regarding coal handling plant and washery, the Mine developer will design and install the plants suiting to be requirement for washing of Coal to reduce Ash content below 34% before dispatch to Power Stations. Otherwise PSEB should provide necessary technical details prior to submission of tender for finalizing cost element.	1. Calcutta Industrial Supply Corporation (CISC)	PSEB has mentioned its requirements of coal quality and now this is to be decided by the bidder, how will they provide the required quality of coal to PSEB.
3		Coal loss in transit	Payment of coal shall be released as per weighment at the weigh bridge nearest to the siding where loading of coal is done, not responsible for loss of coal in transit after loaded in the wagons.	1. Calcutta Industrial Supply Corporation (CISC)	Payment will be made based on quality and quantity of coal as received at PSEB's power plant end.
4		Inferior Grade coal	If a particular coal seam contains 'G' grade or other inferior grade coal which may not be left in the mine	1. Calcutta Industrial Supply	PSEB has specified the quality of coal required and now production strategy has to be decided by the

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
			from the conservation point of view, procedure for production of such inferior grade and washing should be spelt out.	Corporation (CISC)	JV company. JV company can mine it, wash it for up gradation and supply the upgraded coal to PSEB.
5		Waiver of Penalty	As after JV the bidder becomes owner of 49% of share and with high stakes and high investment the JV partner himself will be keen to get returns faster. No company will like to lose even single day after investing thousand of crores. Penalty clause mentioned in Para 5.4, therefore, is not necessary in our opinion. We request you to reconsider it.	1. Triveni Earthmovers Private Limited	It is just a suggestion, which is not acceptable to PSEB.
6	2.1.1	“The bidder should be a corporate entity duly incorporated under the relevant laws”	EMTA is a partnership firm and an existing joint venture partner of PSEB in Joint Venture Company- PANEM Coal Mines Ltd and successfully operating block. Our suggestion is that partnership and such other entities in similar jobs should be considered.	1. EMTA	The Bidder must be a company registered under Indian Companies Act 1956 or the Partnership Act 1932.
7	2.1.1	“Bidders past experience in the relevant field and their proven track record/capability for	“Format for Qualification Requirement” (Format 4.4)- should include bidders past experience in carrying out similar jobs with	1. EMTA	Kindly look at Format 4.4 once again, here column number 5 is given for technical qualification.

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		<p>handling the similar job and financial capability shall be the major qualifying feature.” We find that technical qualification has not been clearly spelt out anywhere in section 4 of Format 4.4 of the bid document. The bid document has given only financial parameter as qualifying criteria. Most important criteria for a successful mine operator is his competence & experience in efficiently carrying out the mining activities.</p>	<p>minimum production of 5 million tonnes/ year for last 3 years of coal/ lignite and 15 million cubic meter of overburden removal. And it should be incorporated in bid format 4.4 so that only qualified and experienced parties can participate in the bid. Bidders should submit certificates as proof of their experience and qualifications.</p>		
8		<p>Suggested Technical qualifications of JV Partner:</p>	<p>Bidder shall have at least 5 years experience in mining of coal/lignite (including overburden removal, opencast or underground) in which it should have undertaken an average annual excavation or production of at least 10 million cu.m.(over burden</p>	<p>1. EMTA</p>	<p>It is just a suggestion. PSEB is not in a position to deviate from the eligibility qualification as approved by the Board.</p>

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
			<p>removal is included for this purpose) which include at least 3 million tones per annum of coal/lignite for each of the last 5 completed financial years reckoned from the date of opening of proposal of qualification. It should have experience of carrying out Pre-Mining activities like carrying out Prospecting of the block, preparing Geological report and Mining Plan, acquisition of land, preparing EMP and getting all statutory clearances to start Mining operation.</p>		
9	1.2	<p>This clause states that to meet procedural compliance required for operation of coal – blocks allotted under “Government Dispensation Route”, PSEB will form a Joint Venture with 51% equity share of PSEB and balance 49% will be equity of the party bidding for the JVC.</p>	<p>Looking at the nature of investment, considering the area of responsibility, extent of coverage of all the activities related with the project, keeping in view entire departmental liaison work and maintaining assured supply of end product, all this being total responsibility of JVC partner, the equity sharing clause is requested to be amended. This is also necessary from the point of view of the bidder because PSEB will not make any investment in future beyond 52% of</p>	<ol style="list-style-type: none"> 1. Sadbhav Engineering Ltd. 2. Panem Coal Mines Limited 	<p>It is just a suggestion, which is not acceptable to PSEB.</p>

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
			<p>this paid up capital.</p> <p>It is requested to read the clause as "PSEB will from a Joint Venture with 26% equity share of PSEB and balance 74% will be equity of the party bidding for the JVC".</p>		
10	2.1.2.1	<p>Turnover: Average turnover in the last three (3) preceding financial years should be equal to or greater than 'Two Hundred Crore Indian Rupees (Rs. 200 crore)'.</p>	<p>This clause is requested to be read as: Average turnover in the last three (3) financial years should be minimum 600 crores.</p> <p>Here the qualifying mark affixed for the JVC aspirant should be indicative of the capability of handling large projects of such a stature. Also PSEB shall keep in view the magnitude of activities involved to complete this type of job successfully.</p>	1. Sadbhav Engineering Ltd.	It is just a suggestion, which is not acceptable to PSEB.
11	2.1.2.2	<p>Networth: Average Networth for last three (3) preceding financial years should be equal to or greater than 'Seventy Five Crore Indian Rupees (Rs. 75 crore)'. The computation of networth shall be based on unconsolidated audited</p>	<p>This clause is requested to be read as: Average Networth for the last three (3) preceding financial year should equal to or greater than Rs. 200 crores.</p> <p>The particular of turnover and Network Internal Resource Generation (IRG) will be considered only in mother company or JV</p>	<p>1. Sadbhav Engineering Ltd.</p> <p>2. G. S. Atwal</p>	It is just a suggestion, which is not acceptable to PSEB.

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		annual accounts of the last three (3) financial years immediately preceding the Bid Deadline.	company?	& Compa ny (Engine ers) Pvt. Ltd.	
12	2.1.2.4	The Bidder should have at least three (3) million metric tones of coal/lignite & other minerals per year mining works in hand on open cast/underground mine per year during last three (3) years.	This clause is requested to be read as: The bidder should have at least Ten (10) million cub.mtr of composite quantities of overburden and pay materials, like coal/lignite and other minerals, per year in a single mine or group of mines, having works in hand during the last three (3) years. CIL subsidiaries have been outsourcing only overburden removal work; as such experience in executing works with quantities of such large magnitude and volume is possible to be achieved in composite quantity only. The higher benchmark will not deviate from the essence of the qualifying criteria needed from a JVC aspirant.	1. Sadbhav Engineering Ltd.	It is just a suggestion. PSEB is not in a position to deviate from the eligibility qualification as approved by the Board.
13	2.2.7	The coal produced from	Kindly clarify about the payable	1. Sadbhav	The price of the delivered coal is

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		<p>the mine shall be sized below 200 mm through a coal handling plant and shall be washed to reduce the ash contents below 34% before dispatch to power stations. In this respect it is to be noted by the bidder that, even if the JVC has to wash coal for improving the coal quality, the payment will be made by PSEB against receipt of coal at Power Plant end (both quality and quantity wise.</p>	<p>incremental value in the rate as would be resulting due to difference in ROM coal cost and the cost of the delivered coal as per prescribed size and quality</p>	<p>Engineering Ltd.</p>	<p>linked with the price of coal supplied by CIL and hence there is no need to provide incremental rate of coal. Therefore, PSEB feels that there is no need for separate explanation in this regard.</p>
<p>14</p>	<p>2.2.11</p>	<p>Time Schedule: The bidders shall describe detailed methodology of carrying out the job in the best possible manner. It would explain deployment of his resources and strength in conducting the job. The bidder shall also indicate in the bid a time schedule</p>	<p>The word "job" should be explained elaborately, so that the bidders are clear about the expectations of PSEB to be met within the so called desired time schedule. Also, without conveying or establishing the precise meaning of the word "Job", it is difficult to define a proper time schedule. Further, since the breach of the time schedule is already covered by a penalty clause vide</p>	<p>1. Sadbhav Engineering Ltd.</p>	<p>The word "Job" means all activities related to allotment, development, mining and supply of coal to PSEB power stations.</p>

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		of various activities relating to selection and development of Coal Mine Block for coal mining & supply of coal to PSEB.	clause No. 2.2.12, the bidders automatically stand bound for the performance within the time schedule as such there is no need of submitting the detailed methodology as mentioned in the clause.		
15	2.2.1 and 4.8	It is to be noted that PSEB's ultimate aim of the proposal for Coal Mines / Blocks on Government Dispensation Route & JVC is to get uninterrupted supply of quality coal for its power stations at a rate cheaper than Coal India Ltd. The percentage reduction / rebate in coal rates should be given grade-wise w.r.t. the rates of Subsidiary Company of Coal India Ltd in the adjoining area of mine block to be allotted as per clause Error! Reference source not found.Error! Reference source not found.. Freight & taxes /	Format for financial bid and pro-forma for quoting rate where the bidders are required to quote a discounted rate for the coal as per the grades mentioned. It is not possible to identify the discounted rate until the identity of the coal block is established. CIL subsidiaries have different prices and discounting structure for similar grades of coal. Further, only after the mine blocks are identified, it would be possible to find out the prevailing rates of differently graded coal already being mined around the identified blocks. Ascertaining the qualifying criteria on such unknown and ambiguous data base formed on assumption and unspecified parameters shall have to be looked into. We, therefore, request PSEB to reconsider and	1. Sadbhav Engineering Ltd.	<p>Since there is no scope for change of pricing format and principle , therefore, no changes are required in the bid document.</p> <p>However, it is to be clarified to the bidders that if any bidder submit more than one price bid, the bidder's bid will be disqualified.</p>

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		<p>duties shall be payable extra as per actual.</p> <p>4.8 - Proforma for Quoting Rates</p>	<p>reform the format and pro-forma for quoting the rates.</p> <p>It is requested to clarify the price bid evaluation mechanism as different bidders would offer different discounts for various subsidiaries of Coal India Ltd. (as notified prices are different for different subsidiaries) since the location of coal block would not be known at bid evaluation stage</p> <p>The blocks are yet to be allocated and hence the CIL subsidiary to be considered for quoting the rate is not clear. There is wide variation in rate for same grade of coal across subsidiaries and the existing format does not address this issue.</p> <p>Clarification is needed.</p> <p>It may please be kept in mind that as on date we are unaware of the coal block which will be allotted to us. Possibility of allotment of difficult</p>	<p>2. Welspun Urja Ltd.</p> <p>3. Monnet Ispat & Energy Limited</p>	

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
			<p>coal block cannot be ruled out. If conditions of coal block are not conducive to low cost mining and if the ore to OB ratio is unfavorable producing coal at rates of subsidiary company of coal India Limited varies from place to place. In such condition not knowing the exact coal block bidding a price will be difficult. Please advice on the same.</p> <p>The Subsidiaries of Coal India Ltd have different rates for different grades of coal. Please clarify how the bid will be evaluated?.</p>	<p>4. Triveni Earthmovers Private Limited</p> <p>5. Sterlite Industries</p>	

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
				(I) Limited	
16		Coal Pricing	How will the price quoted by bidder be considered for payment keeping in mind Run of Mine rate, Dispatch point price and washed coal price at washing end?	1. Sadbhav Engineering Ltd.	The price quoted for a certain grade coal by the bidders will be considered for payment based on actual quality of coal (Grade) and quantity of coal received at Power Plant. No additional charge will be paid for washery or any other process for upgradation of coal grade.
17		Time Mismatch	In a likely situation, when ROM coal is ready for dispatch and if the commissioning of the Power plant is delayed, how will the JVC partner be allowed to sell the coal produced in the open market?	1. Sadbhav Engineering Ltd.	It will be decided and agreed upon by JV Company and PSEB through signing of Coal Supply Agreement. However, considering the current situation even if ROM Coal is meant for certain particular Power Project, that power project has been delayed in commissioning, PSEB has 100% right to use that coal in its other thermal power stations or divert the coal to other user.
18	2.2.2	Coal of "G" grade or other inferior grade will not be accepted by PSEB and no payment shall be released for 'G' Grade or other	PSEB shall not accept coal of a grade lower than 'F' and it is understood thereby that the lower grade coal shall have to be beneficiated to improve its ash content and calorific	1. Sadbhav Engineering Ltd.	If lower grade coal will be upgraded through washing of coal, PSEB will make payment for the upgraded coal as received by its plant.

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		inferior grades of coal.	<p>value. In all the coal beneficiation method, there is a generation of 35% to 37% of middling and 5% to 3% of rejects.</p> <p>The quantities of byproducts so generated cannot be estimated without identifying the mine blocks and the nature of the deposits. As such there is a distinct need of supporting the JVC partner for meeting the financial losses which may occur due to huge gap between coal reserves, mineable reserves and saleable coal.</p> <p>What is the proposal by PSEB for handling such huge quantity of byproducts in order that the JVC partner is not made to suffer a loss on the ground of non-selling of the byproducts.</p> <p>Who will have the right to sell the 'G' grade or lower grade of coal?</p> <p>The provision on disposal of washery rejects may be provided</p>	2. G. S. Atwal & Company (Engineers)	Bidders have to keep the washery waste or non-suppliable low grade coal separately and will handover the same to PSEB. Bidder should note that, it will be a property of PSEB. The price for this low grade coal will naturally decided and agreed upon between PSEB and the JV Partner.

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
			<p>Clear direction is needed regarding the sale of washery rejects and coal (one which can not be made up to PSEB specification). It may be noted that this will also affect the discount which the bidder is going to offer to PSEB as per format 4.8, page 54. The bid document (draft JV agreement, page 21 point # 10, page 27 point # 17) specifies that the coal mined from PSEB coal mine is to be exclusively supplied to PSEB only and an undertaking is also to be given to Ministry of Coal in this regard.</p>	<p>Pvt. Ltd 3. Welspun Urja Ltd 4. Monnet Ispat & Energy Limited</p>	
19		Allotment of Coal Block	<p>It should be in the name of JVC as it would facilitate in land acquisition and obtaining clearances. As the JVP is required to invest in fixed infrastructure, it is important for reducing the risk of bidders</p> <p>The coal block to be allocated under Government dispensation scheme will be in the name of PSEB or JV Company</p>	1. Welspun Urja Ltd	Coal block always will be allocated in the name of PSEB and PSEB will allow the JV Company to operate on this block under JV agreement.
20	Article	The company shall	The purpose of the JV company is to	1. Monnet	The JV company will be formed

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
	# 16 page # 38 Draft JV agreement between PSEB & JV partner .	declare dividend out of the net surplus profit after deductions of all relevant Income Tax and other taxes and after providing for such reserves and deductions as may be required by law or otherwise as may determined by the Board of Directors of the Company from time to time in accordance with prudent financial practices and business requirements.	supply coal regularly & efficiently to PSEB. PSEB is not involved in day to day running of the JV company and is primarily interested in getting coal regularly at a discounted cost vis-à-vis CIL subsidiary. The JV company is being run by the JV partner and ideally all profits should go to him only and PSEB should not look for profit sharing in the JV company. We request that document be amended to clarify this point wherein PSEB will not be sharing the profit / dividend in the JV company.	Ispat & Energy Limited	under Indian Companies Act, 1956 and PSEB under any circumstances will always hold 51% of the stake in the company, therefore, obviously PSEB will be eligible to get 51% of whatever profit will be generated by the company. Moreover, PSEB has the right to check the capital and operating expenditures incurred by the JV company.
21	1.2.1	PSEB will apply for allotment of coal blocks under 'Govt. Dispensation Route' from Ministry of Coal, Govt of India. To meet procedural compliances required for operation of coal blocks allocated under 'Govt. Dispensation Route',	a) Please clarify who will have Management Control in the JV Company - PSEB or Successful bidder (i.e. JV Partner of PSEB)? b) Initial paid up capital of JV Company will be Rs. 10 crores. Therefore PSEB will contribute Rs. 5.1 crores towards its 51% stake. Beyond 51% of this initial paid up capital, PSEB will not make any investment in future.	1. Sterlite Industries (I) Ltd	JV Partner will have the day to day Operational control in the JV Company, while strategic decisions will be taken by Board of JVC, which will be comprising of representatives from both PSEB and the JV Company. Kindly note that PSEB want to appoint a JV partner who will act as 'owner' of the company

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
		<p>PSEB will form a Joint Venture with 51% equity share of PSEB and balance equity will be of the party bidding for JVC. Paid up capital of JVC will be Rs.10 crores (Rupees Ten crores) . Beyond 51% of this paid up capital, PSEB will not make any investment in future.</p>	<p>Suggestion:- JV partner will obtain Coal block under Government Dispensation scheme in the name of JV Company wherein PSEB will hold 51% equity stake and become lead member for development of coal block. Thereafter JV Company will enter into Mine Development cum Operation contract with JV partner to develop and operate the coal mine till life of mine. JV Partner will be responsible for supplying coal to PSEB Power plants at pre-agreed discount to Coal India price as requested in the financial bid.</p>		<p>rather than JV partner acting as MDO or contract miner</p>
22	2.3.9.1	<p>The Successful Bidder shall, within thirty (30) days of the issue of the Letter of Intent, incorporate a JV Company. The investment in the Project Company shall be as per provisions of Clause</p>	<p>The time period for incorporation of JV Company should be allowed as 60 days instead of 30 days.</p>	<p>1. Sterlite Industries (I) Ltd</p>	<p>We understand that 30 days time for incorporation of JV Company is sufficient. If any extra time required, that can be sorted out through mutual discussions.</p>

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
23	2.9.2	Time Schedule for completion of bidding process	It is suggested that PSEB should approach the Ministry of Coal and obtain in-principle approval for allocation of Coal block under "Government Dispensation Scheme". Thereafter bidders should be requested to submit financial bid for development of coal block and supply of coal since bidders will be in a better position to assess the coal block, estimate capital expenditure required for development of coal block as well as operating cost of mining coal till the life of the mine. Therefore timeline for submission of financial bid should be extended till 31st December 2009.	1. Sterlite Industries (I) Ltd	The date of Submission of bid has been already extended to March 16, 2010
24		Status of Power Plant	The pre-bid committee in attendance is requested to provide exact current status of the four (4) power projects of PSEB mentioned in the EOI Notification under introductory statement. Kindly also provide with the expected date of their commissioning.	1. Sadbhav Engineering Ltd.	Please refer to the bid document, it has been already provided
25		Ideal parties for becoming JV Partner	Consider only Financially sound parties for participating in the	Welspun Urja Ltd	It is just a suggestion, which is not acceptable to PSEB.

Sr. No	Para /Clause No.	As per bid document issued	Suggestions/Requests from the bidders attended pre-bid meeting on 15/09/09	Name of the bidders suggested /requested	PSEB's Reply / Clarification
			competitive bid for becoming JV partner		

xxxxxx **END** xxxxxx