

Prayagraj Power Generation Company Limited

Request for Proposal

for

Tariff Based Bidding Process for Procurement of Power on  
Long Term Basis from Thermal Power Station (3X660 MW)  
Based on Domestic Fuel to be set up at Tehsil Bara,  
District Allahabad, Uttar Pradesh

(As per Guidelines for Determination of Tariff by Bidding  
Process for Procurement of Power by Distribution  
Licensee)

Long Term Procurement (7 years and above)

Date of Issue

5<sup>th</sup> November 2008

Issued by

Prayagraj Power Generation Company Limited  
Shakti Bhawan Ext., 14-Ashok Marg, Lucknow-226001  
Uttar Pradesh, India

**Prayagraj Power Generation Company Limited**  
**Shakti Bhawan Ext., 14-Ashok Marg, Lucknow-226001**  
**Uttar Pradesh, India**

Request for Proposal (RfP) for supply of power to distribution licensees in the state of Uttar Pradesh namely Madhayanchal Vidyut Vitaran Nigam Ltd. (MVVNL), Lucknow, Paschimanchal Vidyut Vitaran Nigam Ltd. (PaVVNL), Meerut, Poorvanchal Vidyut Vitaran Nigam Ltd. (PVVNL), Varanasi, Dakshinanchal Vidyut Vitaran Nigam Ltd. (DVVNL), Agra, Kanpur Electricity Supply Company (KESCO), Kanpur issued by the Prayagraj Power Generation Company Limited for and on behalf of the Procurers as named in Annexure 1.

This RfP along with Annexures as per Table of Contents is issued to -

M/s. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Place: Lucknow  
Date: 5<sup>th</sup> November 2008  
Signature

NOTES:

1. This RfP, along with its Annexures, is not transferable. The RfP will be issued only to the Bidding Company or the Lead Member of the Bidding Consortium who has been shortlisted by the Procurer/Authorised Representative (hereinafter referred to as PPGCL) based on their responses to RFQ dated 12<sup>th</sup> August 2008 or to the RfQ dated 5<sup>th</sup> November 2008. The RFP and the information contained therein are to be used only by the person to whom it is issued. It may not be copied or distributed by the recipient to third parties (other than in confidence to the recipient's professional advisors). In the event that the recipient does not continue with its involvement in the Project in accordance with this RFP, this RFP must be kept confidential.
2. Though adequate care has been taken while preparing this RfP, the Bidder shall satisfy himself/itself on receipt of the RfP document, that the RfP document is complete in all respects. Intimation of any discrepancy shall be given to this office immediately. If no intimation is received from any Bidder within ten (10) days from the date of issue of this RfP document, it shall be considered that the issued document, complete in all respects, have been received by the Bidder.
3. PPGCL may modify, amend or supplement this RfP document, in accordance with the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees dated 19 January, 2005 ("Bidding Guidelines") issued by the Ministry of Power, Government of India, as amended or revised till the Bid Deadline, after obtaining approval of the Appropriate Commission, if such approval is required under Law. Further, this RfP does not constitute a binding offer by the PPGCL nor does it constitute a contract. This RfP may be withdrawn or cancelled by the PPGCL at any time without assigning any reasons thereof.
4. While this RfP has been prepared in good faith, neither PPGCL nor their directors or employees or advisors/consultants make any representation or warranty, express or implied, or accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, completeness or reliability of information contained herein, and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this RfP, even if any loss or damage is caused to the Bidder by any act or omission on their part.

5. By purchasing the RfP, the purchaser of the RfP and each of the Member of a Consortium (collectively referred to as 'Covenantor'), shall be deemed to have confirmed that the Covenantor is fully satisfied with the process of evaluation of the RfQ Bid by the PPGCL and its decision regarding the qualification or disqualification or short listing of the Bidders for sale of the RfP. The Covenantor hereby expressly waives any and all objections or claims in respect thereof.
6. This Request for Proposal (RFP) document is not an agreement or offer by the Authorised Representative to the prospective Bidders or any other party. The purpose of this RFP is to provide interested parties with information to assist the formulation of their Bid. This RFP is based on material and information available in public domain.
7. This RFP may be withdrawn or cancelled by the PPGCL at any time without assigning any reasons thereof. PPGCL further reserves the right, at its complete discretion to reject any or all of the Bids without assigning any reasons whatsoever.

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## **DEFINITIONS**

Following capitalised terms used in this RfP; shall have the meanings given hereunder:

**"Acquisition Price"** shall mean the cost of land, cost of R&R and other miscellaneous cost incurred / to be incurred as intimated upto 7 days prior to the bid submission deadline at the RfP stage as per the Clause 1.1.5 of the RfP;

**"Affiliate"** shall mean a company that either directly or indirectly controls or is controlled by Bidding Company (in the case of a single entity) or a Member (in the case of a Consortium). Affiliate shall also mean the company/companies who along with the bidding company/consortium member, are commonly controlled by a parent company either directly or indirectly. Control here shall mean Ownership by one company of at least 26% (Twenty Six Percent) of the voting rights of the other company.

**"Authorised Representative"** shall mean Prayagraj Power Generation Company Limited; the body corporate authorised by the Procurers to carry out the bid process for the selection of the Successful Bidder on their behalf;

**"Bid"** shall mean Non-Financial Bid and Financial Bid submitted by the Bidders in accordance with the terms and conditions of this RfP;

**"Bid Bond"** shall mean the unconditional and irrevocable bank guarantee for Rs. 60 Crores submitted along with the Bid by the Bidder as per the provisions of Clause 2.12.1 of this RfP and as per the format prescribed in ANNEXURE 2;

**"Bid Deadline"** shall mean the last date and time for submission of Bid in response to this RfP, specified in Clause 2.8.1;

**"Bidder"** shall mean Bidding Company (including its successors and legal assigns subject to fulfilment of conditions given in RfP) or Bidding Consortium (including successors and legal assigns of its Members subject to fulfilment of conditions given in RfP) who meet the qualifying criteria as specified in the RfQ and have been prequalified by Procurer/Authorised Representative based on RfQ Bid for submission of RfP Bid and has duly purchased the RfP from the Procurer/Authorised Representative;

**"Bidding Company"** shall have the meaning ascribed thereto in the RfQ;

**"Bidding Consortium"** shall have the meaning ascribed thereto in the RfQ;

**"Bidding Guidelines"** shall mean Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees, issued by Ministry of Power, Government of India under Electricity Act, 2003 on January 19, 2005 and as amended from time to time;

**"Change in Ownership"** shall mean change of ownership of the Bidder/Member in a Bidding Consortium by way of merger/ acquisition/ amalgamation/ reorganisation/ consolidation/demerger

**"Conflict of Interest"** A Bidder may be considered to be in a conflict of interest with one or more Bidders in the same bidding process if they have a relationship with each other, directly or through a common entity, that puts them in a position to have access to information about or influence the Bid of another Bidder.

**"Contracted Capacity"** shall have the meaning ascribed thereto in Article 1 of PPA.

**"Closing Date"** shall mean a mutually agreed date between the Parties falling within the period as mentioned in clause 2.1.3.2 of RFP or on failure of such mutual agreement between the parties shall be the date falling on the last date of such period.

**"Date of Issue of Letter of Intent (LOI)"** shall mean date of issuance of LOI to the successful bidder;

**"Energy Charges"** shall mean Energy Charge as defined in Clause 3.3.2.1;

**"Financial Bid"** shall mean Envelope II of the Bid;

**"Letter of Intent"** or **"LOI"** shall mean the letter issued by the Authorised Representative to the Selected Bidder intimating him to be the successful bidder and inviting for signing of contract.;

**"Levelling Tariff"** shall mean tariff calculated in accordance with the provisions of Clause 3.3.2;

**"Non- Financial Bid"** shall mean Envelope I of the Bid;

**"Net Contracted Capacity"** shall have the meaning ascribed thereto in Article 1 of PPA.

**"Parent"** shall mean a company, which has at least twenty six per cent (26%) equity either directly or indirectly in the Bidding Company or Member in the Bidding Consortium;

**"Permitted Assigns"** shall mean the entities specified in Article 16.1 of PPA;

**"Power Purchase Agreement"** or **"PPA"** shall mean the agreement titled 'Power Purchase Agreement' proposed to be executed between the Procurer and Seller, an unsigned copy of which is attached hereto and marked as Format 1 of Annexure 3, including all its schedules, Annexures and all amendments or modifications;

**"Procurer"** shall have the meaning ascribed thereto in Clause 1.1.1;

**"Project Report"** shall mean the report containing the initial information regarding the Project, Site and other details;

**"Tariff"** shall mean the sum total of Energy Charge and Quoted Capacity Charge;

**"Quoted Capacity Charge"** shall mean the sum total of Quoted Non Escalable Capacity Charge and Quoted Escalable Capacity Charge;

**"Quoted Escalable Capacity Charge"** shall mean as mentioned in Format 1 of Annexure 4;

**"Quoted Non - Escalable Capacity Charge"** shall mean as mentioned in Format 1 of Annexure 4;

**"Quoted Net Heat Rate"** shall mean as mentioned in Format 1 of Annexure 4;

**"RfP Project Documents"** shall mean the following documents to be entered into in respect of the Project, by the parties to the respective agreements:

- a. PPA;
- b. Default Escrow Agreement;
- c. Agreement to Hypothecate cum Deed of Hypothecation;
- d. Share Purchase Agreement; and
- e. any other agreements designated as such, from time to time by the Procurers and the Authorised Representative;

**"RfQ"** shall mean the Request for Qualification document including the Annexures thereof issued by Prayagraj Power Generation Company Limited on dated 12<sup>th</sup> August 2008 and dated 5<sup>th</sup> November 2008 for Tariff Based Bidding Process for Procurement of Power on Long-Term Basis from Power Station to be setup at Tehsil, Bara, District Allahabad, Uttar Pradesh based on domestic coal and shall include any modifications, amendments or alterations or clarifications thereto;

**"RfP"** shall mean this Request for Proposal along with all schedules, Annexures and RfP Project Documents attached hereto and shall include any modifications, amendments or alterations thereto;

**"Seller"** shall mean Prayagraj Power Generation Company Limited (PPGCL) , a company incorporated under the Companies Act, 1956 and having its registered office at 3<sup>rd</sup> Floor, Shakti Bhawan Ext., 14-Ashok Marg, Lucknow-226001, Uttar Pradesh, India for the purposes of development, finance, ownership, design, engineering, procurement, construction, commissioning, operation and maintenance of the Project in accordance with the RfP; Prayagraj Power Generation Company Limited shall act as the Authorised Representative till acquisition of its 100% equity shareholding by the Selected Bidder.

**"Successful Bidder"** or **"Selected Bidder"** shall mean the Bidder selected pursuant to this RfP to set up the Project and supply electrical output therefrom to the Procurers through the Seller as per the terms of PPA and other RfP Project Documents;

**"Supercritical Technology"** shall mean technology with indicative steam parameters at steam turbine inlet as mentioned below:

Main steam pressure : 247 kg/cm<sup>2</sup> (abs)

Main steam temperature : 535 deg C.

Reheat steam temperature : 565 deg C.

**"Tariff"** shall mean the sum total of Energy Charge and Quoted Capacity Charge;

**"Ultimate Parent"** shall have the meaning as ascribed thereto in Clause 2.7.1.1.

## **1. Introduction**

- 1.1.1 The Authorised Representative, on behalf of Madhayanchal Vidyut Vitaran Nigam Ltd. (MVVNL), Lucknow, Paschimanchal Vidyut Vitaran Nigam Ltd. (PaVVNL), Meerut, Poorvanchal Vidyut Vitaran Nigam Ltd. (PVVNL), Varanasi, Dakshinanchal Vidyut Vitaran Nigam Ltd. (DVVNL), Agra, Kanpur Electricity Supply Company (KESCO), Kanpur (hereinafter to be referred as the "Procurers", acting through the office of Sri Lal Chand, Chief Engineer (Project), Prayagraj Power Generation Limited, 3rd Floor, Shakti Bhawan Extension, 14-Ashok Marg, Lucknow 226001, Uttar Pradesh, India, (which expression shall also include the successors and Permitted Assigns of the Procurers), invites Bids for purchase of power on a long-term basis.
- 1.1.2 Any capitalised term, used but not defined in this RfP, shall have the meaning ascribed to such term in the PPA, other RfP Project Documents, RfQ, or the Bidding Guidelines, in that order. In the absence of availability of definitions in the foregoing references, the capitalised term shall be interpreted in accordance with the Electricity Act 2003, the UPERC (Terms and Conditions of Tariff) Regulations 2004, Grid Code or any other relevant electricity law, rule or regulation prevalent in India, in that order.
- 1.1.3 The objective of the bidding process is to select a Successful Bidder for development of the Project as per the terms of the RfP. The Project will have a Gross Capacity of 1980 MW in accordance with the terms of the PPA. The Selected Bidder shall be responsible for ensuring that the Seller undertakes development, finance, ownership, design, engineering, procurement, construction, commissioning, operation and maintenance of the Project as per the terms of the RfP Project Documents. The Selected Bidder shall also ensure that all equipment and auxiliaries are suitable for operation in the frequency range of 47.5 to 51.5 Hz (-5% to +3% of rated frequency of 50.0 Hz).

The Selected Bidder shall purchase the entire shareholding of the Prayagraj Power Generation Company Ltd. from Uttar Pradesh Power Corporation Limited and its nominees in accordance with the Share Purchase Agreement.

1.1.4 The Procurer/Procurers through the Authorised Representative have initiated development of the project at Tehsil Bara, District, Allahabad, Uttar Pradesh and have completed the following:

1. Site identification and Land Acquisition

PPGCL has identified about 2300 acres of land in Bara Tehsil, District Allahabad for this project out of this approximately 1900 acres of land has been acquired and action has been initiated for acquisition of approximately 377 acres of land. The site is located around 40 km from the city of Allahabad on National highway and equipments may be transported to the project site from Kolkata port. The land is barren, rocky, devoid of vegetation and is hardly inhabited.

The site is approachable by National Highway 76 on one side which will facilitate the transportation of construction equipment and other goods additionally on the other side a railway track exists.

There is no reserved forest in the vicinity of the plant and forest clearance has been obtained.

Currently there is an irrigation canal passing across the project site which shall have to be realigned under the supervision of the irrigation department and the cost of the same shall be borne by the bidder. The estimated cost for the realignment as per Irrigation Department shall be intimated to the bidders 7 days prior to bid deadline.

Authorised Representative shall provide to bidders, the details of Rehabilitation & Resettlement cost on firm basis 7 days prior to bid deadline.

2. Environmental Clearance for the power station:

M/s BHEL have been appointed as consultants for getting clearance from MoEF as per ToR granted by MoEF, which is available on the website of MoEF. Moreover, Rapid EIA report has been submitted to MoEF. Further, the final Environment Clearance shall be obtained within 6 months from the date of issue of Letter of Intent to successful bidder.

The bidders are required to note, for the purpose of bidding following Environmental norms;

- a. Flue gas emission without flue gas conditioning as per present requirement of MoEF;
- b. Water zero discharge;
- c. Ash-high density disposal;
- d. No FGD required but provision for its incorporation at future date be made.

3. Fuel Arrangements:

The coal linkage has been provided from proposed expansion of Jayant & Dudhichua collieries of NCL which are likely to become operational in the year 2011-12 as intimated by NCL vide their letter dated 16-10-2007. The quality of coal expected to be mined from the said expansion is of Grade D from Jayant expansion & Grade D/E from the Dudhichua expansion. Further NCL vide their letter dated 5 Dec 2007 has given a seamwise coal quality data for coal being produced from Turra seam (Grade C) and Purewa seam (Grade E) of both Jayant & Dudhichua projects which are placed at Annexure 16. The said collieries are at a distance of about 350 Kms from the project site. Approximate freight rate for transportation of coal from the proposed collieries to the project site is Rs.314/- per metric tonne. The fuel price per metric tonne of coal is calculated on the basis of the rates provided by NCL of the coal supplied from the existing Jayant & Dudhichua collieries. Further the Commitment Guarantee of Rs 48 Crores for 7.02 mtpa of coal quantity allocated to this project has been deposited with NCL.

4. Fuel Transportation:

The railway line is at a distance of about 3 Kms. from the project site. The bidders are required to construct railway line / siding from that point onwards to the Project Site. The estimated cost of construction of railway line is Rs.2.5 Crs / Km. M/S RITES have issued their feasibility report for the same. According to this the rough cost of providing infrastructure at destination is around Rs 170 crore. This includes cost of P-Way, Overhead railway crossing & signalling works. Authorised Representative shall provide the report prepared by RITES to the bidders.

5. Water Linkage:

As per the meeting held by the Energy Task Force on 21st March 2007 approval for drawal of water to the extent of 96

cusec has been accorded for the Prayagraj Power Generation Project. The water shall be made available at the river bed of Yamuna & bidders will be required to make the necessary arrangements for transportation of water to the project site and bear the cost of construction of water pipelines. However the procurers shall arrange for the land requirement for construction of the pump house at the point of drawl and right off way for laying pipelines for consumption water. Furthermore the cost of construction of pump house and water pipeline as available from the Irrigation Department would be intimated to the bidder 15 days prior to the bid deadline. The approx. distance of project site from Yamuna River is 17 kms. Moreover, Water requirement during construction per unit will be approximately 2 cusec per unit and the developer is required to make necessary arrangement for the same.

6. Authorised Representative shall provide to bidders, the details of Rehabilitation & Resettlement cost on firm basis upto 7 days prior to bid deadline.
7. Available Hydrological, Geological, meteorological and Seismological data along with a Detailed Technical Report (DTR) prepared by Tata Consulting Engineers (TCE) has been provided to the earlier qualified bidders at the time of the Pre-bid conference held on 3<sup>rd</sup> October 2008. For bidders who have submitted a response to the RfQ dated 5<sup>th</sup> November 2008, such data would be made available on request from the office of the Chief Engineer (Project), PPGCL, Shakti Bhawan, Lucknow during working hours on any working day upto November 29<sup>th</sup>, 2008.
8. Mega Power Benefit:  
While obtaining the Mega Power Status for the project shall be the responsibility of the bidders, the Authorised representative shall assist the selected bidder for the same. In order to expedite the process, the Authorised Representative has initiated the process by writing a letter to the Government of India requesting the Mega Power Status. The copy of such correspondence will be made available to bidders.

1.1.5 The Procurer will transfer the Project site (details along with the site map enclosed in Annexure 5 to the Seller after signing the Share

Purchase Agreement, at Acquisition Price to be intimated upto 7 days prior to submission of bids.. Any subsequent change in Acquisition Price shall be shared by procurers in proportion to their share in installed capacity.

1.1.6 All Bidders are required to submit Bid in accordance with the instructions set forth in this RfP.

1.1.7 In order to ensure future power supply security for the State of UP, the Government of UP has decided to permit the selected developer to construct upto two additional generation units of 660MW each at the selected same plant location. As per the provisions of "Thermal Power Generation Development Policy 2008" issued by Government of Uttar Pradesh (GoUP).

1.1.7.1. Sale of Power from Additional Unit

- The Government shall have the first right to purchase power upto 20% (Twenty percent) of the aggregate capacity of the additional generating unit(s) which may be set up by the developer on the basis of his own arrangement for sourcing the fuel, at the rate determined by the bidding process. This condition will be applicable to capacities added by the developer within a period of two years from the commissioning of the last unit of the project supported by the coal linkage provided by the State of Uttar Pradesh.
- The developer shall be allowed to sell upto 80% of the power generated from such additional unit to any person other than the procurers provided such additional unit(s) is established within 2 years from the COD of the power station.
- In the case of additional capacity, for the project being setup by a developer which are commissioned more than two years after the date of commissioning of last unit of the project supported by coal linkage being provided by the State of Uttar Pradesh, the State Government or its assignee shall have the first right of refusal to purchase power upto 30% (Thirty percent) of the aggregate additional capacity from such generation unit at a rate to be decided by the Uttar Pradesh Electricity Regulatory Commission.

1.1.7.2. For purchase of power from such additional unit(s) the state govt. or its assignee(s) shall enter into a separate PPA subsequent to the notice issued by the Selected Bidder as per the provisions of the PPA.

1.1.7.3. To expedite the process, following support shall be provided by GoUP under the said policy;

- The Government of Uttar Pradesh will make efforts to facilitate all incentives to the Developer that are available to industrial projects in the State as per the applicable industrial policy of the Government of Uttar Pradesh or the incentives that are offered to similar projects announced in this regard from time to time.
- The Government of Uttar Pradesh will facilitate expeditious grant of permissions, approvals, no-objection certificates, recommendations, etc. under the purview of the State Government. The Developer shall be responsible to obtain all the statutory clearances/approvals including approvals relating to Foreign Direct Investment, if any, as per law.
- The land requirements for the power plant under this policy would have to be identified by the developer and the Government of Uttar Pradesh shall facilitate the acquisition process of the land. However, the cost required for acquiring the land would be fully borne by the developer.
- The Government of Uttar Pradesh shall facilitate and provide needed water linkages expeditiously and will assist in obtaining clearances from Centre.
- The primary responsibility of development of the Project shall be of the Developer. The Energy Department, Government of Uttar Pradesh will facilitate the Project development activities by extending all possible support/co-operation to the Company.
- Evacuation Facility:
  - In case the additional unit(s) is proposed to be interconnected with the Intra-state transmission system, the State Government through the State transmission utility or other assignees will facilitate the clearances and approvals for connecting the power plant to the grid sub-station. However, the responsibility of application, clearances and approvals for the same would lie with the developer.
  - The cost of the dedicated transmission line, if required, from the Generating Plant to the designated grid sub-station of the State utility/or inter State grid substation and the cost of interfacing at both ends (the Generating Plant and grid substation) including work at the grid Sub-

Station, cost of bay, tie- line, if any, and replacement/ upgradation of existing equipment, if any, shall be borne by the Developer.

- 1.1.8 Once the Successful Bidder is selected, the details and documents as may be obtained by the Authorised Representative in relation to the Project, shall be handed over to the Successful Bidder, so that it may take further actions to obtain all necessary Consents, Clearances and Permits and the Selected Bidder shall not be entitled for any extensions in the Scheduled COD of the Project.

## **2. Information and Instruction to Bidders**

### **2.1 Purchase of Power by Procurers**

2.1.1 The Procurers plan to procure Contracted Capacity of 1648 MW, as per the terms of the PPA, and have appointed Prayagraj Power Generation Company Limited as their Authorised Representative for this purpose. The Prayagraj Power Generation Company Limited in its capacity as Seller shall execute the PPA and the other RfP Project Documents (except the SPA) with the concerned parties, including the Procurer and the Procurers' Banks prior to the Bid Deadline. Bidders shall be provided with copies of such signed documents prior to submission of the Bids.

2.1.2 All Bidders are required to ensure compliance with the conditions mentioned in Format 3 of Annexure 6. In the event of non-fulfilment of any of the conditions specified in Format 3 of Annexure 6, the Bid may be considered by the PPGCL to be non-responsive. Further, Provided that the configuration of the Unit sizes shall be in accordance with the provisions of the RfP. Further the condition of maximum 5 months period between two successive units shall not applicable to the Additional Unit proposed to be developed by bidder as allowed under clause 1.1.7 of this RfP.

2.1.3 A Fuel Supply Agreement shall be signed between the Seller and the fuel supplier in a due course of time as per the terms of the PPA.

The list of the RfP Project Documents and certain obligations of the parties regarding the same are provided below.

2.1.3.1. The drafts of the following RfP Project Documents have been attached to this RfP: -

- a) PPA as Format 1 Annexure 3;
- b) Default Escrow Agreement, as Format 2 Annexure 3;
- c) Agreement to Hypothecate Cum Deed of Hypothecation as Format 3 Annexure 3;
- d) Share Purchase Agreement, as Format 4 Annexure 3

Upon finalisation of the RfP Project Documents after the amendments envisaged in Clause 2.6.1, all the RfP Project Documents except

Share Purchase Agreement shall be executed by the concerned parties and the Procurers/Authorised Representative shall deliver copies of these executed RfP Project Documents to the Bidders at least fifteen (15) days prior to the Bid Deadline.

The PPA and the other RfP Project Documents shall be signed in required number of originals so as to ensure that one original is retained by each Procurer and one original is retained by the Seller.

2.1.3.2. Within twenty two (22) days of the issue of the Letter of Intent, the Selected Bidder shall furnish to the Procurers the Performance Guarantee in accordance with Clause 2.13.1, and within next Eight (8) days after furnishing such Performance Guarantee, Uttar Pradesh Power Corporation Limited along with its nominees and the successful bidder shall execute the Share Purchase Agreement and purchase from Uttar Pradesh Power Corporation Limited and its nominees on the Closing Date, who shall sell to the Selected Bidder, One hundred percent (100%) of the equity shareholding of the Prayagraj Power Generation Company Limited for the Acquisition Price calculated on basis of the amount of consideration intimated under Clause 1.1.5, and pay all the applicable stamp duties as per the requirements of the law.

Provided that if any obligation of Procurers under Clause 1.1.4 which are to be fulfilled before issue of LoI, have not been complied with, by the bid submission deadline, the Financial bid opening date as mentioned in Clause 2.16 shall be extended, on a day for day basis till the end of the Bid validity period.

Provided further that, after the date of acquisition of one hundred percent (100%) of the equity shareholding of Prayagraj Power Generation Company Limited by the Selected Bidder, (a) the authority of the Authorised Representative in respect of the bid process shall forthwith cease and any actions to be taken thereafter will be undertaken by the Procurers themselves or through any other authorised representatives of the Procurers, (b) all rights and obligations of the Authorised Representative in its capacity as an Authorised Representative of the Procurers shall be of the Procurers, (c) all other rights and obligations of Prayagraj Power Generation Company Limited shall be of the Seller and (d) any decisions taken by Prayagraj Power Generation Company Limited as the Authorised

Representative prior to the Effective Date as defined in the PPA, shall continue to be binding on Procurers and (e) Uttar Pradesh Power Corporation shall be responsible for co-ordinating Conditions Subsequent as per the PPA.

- 2.1.4 If the Successful Bidder fails or refuses to comply with its obligations under Clause 2.1.3.2 and provided Uttar Pradesh Power Corporation Ltd. and its nominees are willing to sell the one hundred percent (100%) equity shareholding of Prayagraj Power Generation Company Limited to the Selected Bidder, such failure or refusal on the part of the Selected Bidder shall constitute sufficient grounds for cancellation of the Letter of Intent and the Procurers shall be entitled to invoke the Bid Bond of the Selected Bidder.

## 2.2 **Point of contact in case of Bidding Consortium**

- 2.2.1 In case of Bid being submitted by a Bidding Consortium, the Lead Member of the Consortium will be the single point of contact for the purposes of the RfP, till the Effective Date. Any dispute amongst the Consortium Members shall not be the responsibility of the Procurers and/or Authorised Representative and no financial burden shall pass on to the Procurer and/or Authorised Representative on this account.

## 2.3 **Evacuation of Power**

- 2.3.1 The Seller shall supply power at the Delivery Point as defined in the PPA and the responsibility for evacuation of power beyond the Delivery Point will be of the Procurer as per the terms of the PPA.
- 2.3.2 The Procurer shall ensure that the CTU/ STU/ other transmission licensee connect to the Power Station at the Delivery Point for evacuation of its Contracted Capacity.

## 2.4 **Tariff**

- 2.4.1 The Tariff shall be as specified in the PPA and shall be payable in Indian Rupees only. The Bidder shall quote Quoted Tariff for each Contract Year during the term of the PPA as per Format 1 of Annexure 4.

- 2.4.2 Each of the Procurers shall provide Letter of Credit and Collateral Arrangement as per the terms of the PPA.
- 2.4.3 This Quoted Tariff of the Selected Bidder shall be inserted in Schedule 11 of PPA
- 2.4.4 The bidders shall be required to quote a tariff net-off Income Tax. The actual Income Tax paid on income derived from power supplied to the procurers shall be reimbursed at actual on annual basis as per the Schedule 7 of PPA.

## 2.5 **Pre-bid Meeting**

- 2.5.1 The Bidder or his authorised representative may be invited to attend Pre-bid meeting. Date and time for Pre-bid meeting shall be as provided in Clause 2.8.2 or such other date and time as notified by the Authorised Representative.
- 2.5.2 The purpose of the pre-bid meeting will be to clarify any issues regarding the RfP.
- 2.5.3 The Bidders may seek clarifications to RfP Project Documents in writing, through a letter or by fax (and also soft copy by e-mail) to reach the Authorised Representative (in both cases thereof) at the address indicated in Clause 2.17 within the date and time mentioned in Clause 2.8.2. For any such clarifications or amendments the Bidder should adhere to the format enclosed in Annexure 7. Procurers/Authorised Representative is not under any obligation to respond to any clarifications sought by the Bidders or consider amendments suggested by the Bidders.

It may be noted that a pre-bid meeting has already been held on 3<sup>rd</sup> October 2008 with the interested bidders and subsequently a public hearing has also been held by the UPERC on 3<sup>rd</sup> November, 2008. Clarifications issued to the bidders as a result of the pre-bid meeting and the order issued by the UPERC shall be posted on the website of UPPCL w.e.f. 5<sup>th</sup> November, 2008 and will be permitted to be downloaded by the bidders upto the last date of sale of the RfP documents i.e. 29<sup>th</sup> November, 2008.

- 2.5.4 Non-attendance at the Pre-bid meeting will not be a cause for disqualification of a Bidder.

## 2.6 **Amendment of RfP**

- 2.6.1 Any time after the issue of RfP mentioned in Clause 2.8.2, the PPGCL may, for any reason, whether at its own initiative or in response to a clarification requested by any Bidder, modify or amend the RfP (including RfP Project Documents), including the timelines specified in RfP.
- 2.6.2 The amendment to the RfP shall be notified in writing through a letter or fax or e-mail to all the Bidders and shall be binding on them.
- 2.6.3 All such amendments shall be issued at least Five (5) days prior to Bid Deadline in accordance with the Bidding Guidelines.
- 2.6.4 In order to give Bidders reasonable time to take the above amendments into account in preparing their Bids, Authorised Representative may, at its discretion, extend the Bid Deadline.

## 2.7 **The Bidding Process**

### 2.7.1 Bid Formats

- 2.7.1.1. The Bids in response to this RfP will be submitted by the Bidders in two envelopes, in the manner provided in Clause 2.10:

Envelope I – Non- Financial Bid comprising of:

1. Board Resolutions, as per prescribed formats enclosed as Annexure 8, duly certified by the Company Secretary or the Director of the relevant Bidder, as applicable to the Bidder or mentioned hereunder,
  - a. Board Resolution from the Bidding Company (and any investing Affiliate / Parent/ Ultimate Parent) committing one hundred percent (100%) in aggregate of the equity requirement of the Seller for the Project / Board Resolutions from each of the Consortium Members (and any investing Affiliate / Parent / Ultimate Parent) together in aggregate committing to one hundred percent (100%) of equity requirement of the Seller for the Project (In case of Bidding Consortium): - As per Format 1 of Annexure 8; and
  - b. Board Resolutions from a Parent and /or Affiliate (whose technical and / or financial credentials were used at the time

of RfQ), of the Bidding Company / any Member of the Bidding Consortium, undertaking to invest the entire amount as committed by Bidding Company / Bidding Consortium Member in event of failure of the same to make such investment. Or

- c. Board Resolution of Ultimate Parent for total equity investment commitment of behalf of the Parent and all Affiliates (of the Bidding Company/ any Member of the Bidding Consortium) whose technical and / or financial credentials were used at the time of RfQ. - As per Format 2 of Annexure 8

Provided further that in case the Ultimate Parent is also the Bidding Company / Consortium Member, no Board Resolution as per Format 2 of Annexure 8 shall be required. However, in such a case, a certificate from the Bidding Company / Consortium Member, confirming the Ultimate Parent status is to be provided.

Ultimate Parent shall mean a company that owns at least twenty six percent (26%) equity either directly or indirectly in the Parent and Affiliates.

For clarity sake, illustrations identifying which Board Resolution shall be applicable in typical cases are provided in Annexure 14.

2. Bid Bond;
3. Bidders Undertakings and other details (as per prescribed Formats 1, 2 and 3 of Annexure 6);
4. Covering Letter (as per prescribed Format enclosed as Annexure 9);
5. Original Power of Attorney issued by the Bidding Company or the Lead Member of the Consortium, as the case may be, in favour of the person signing the Bid, in the form attached hereto as Format 1 of Annexure 10. Additionally, in case of a Bidding Consortium, the Power of Attorney in favour of the Lead Member issued by the other Members of the Consortium shall be provided in original as per format attached hereto as Format 2 of Annexure 10. Provided that in the event the Bidding Company or the Lead Member of the Consortium or any Member of the Bidding Consortium, as the case may be, is a foreign entity, it may submit Board Resolutions in

place of Power of Attorney for the purpose of fulfilling the requirements under this clause.

Provided further that such Board Resolutions shall be supported by an unqualified opinion issued by the legal counsel of such foreign entity stating that the Board Resolutions are in compliance with the applicable laws of the respective jurisdictions of the issuing company and the authorizations granted therein are true and valid.

6. Undertaking in the prescribed format in Annexure 10A from the Parent and/or Affiliate, of the Bidding Company/ any Member of the Bidding Consortium, whose technical and financial credentials have been provided in the Bid submitted in response to the RfQ, or

Undertaking of the Ultimate Parent, in the prescribed format in Annexure 10A, for total equity investment commitment of the Parent and all Affiliates (of the Bidding Company/ any Member of the Bidding Consortium) whose technical and financial credentials had also been provided in the Bid submitted in response to the RfQ. Provided further, in case the Ultimate Parent is also the Bidding Company, no such Undertaking shall be required.

7. A disclosure statement as per Annexure 15 regarding participation of any related companies in this bidding process.

Envelope II– Financial Bid (as per prescribed format enclosed as Format 1 of Annexure 4).

2.7.1.2. Wherever information has been sought in specified formats, the Bidders shall fill in the details as per the prescribed formats and shall refrain from referring to any other document for providing any information required in the prescribed format.

2.7.1.3. The Bidder should note that:

- a. If the Bidder/ Member in a Bidding Consortium conceals any material information or makes a wrong statement or misrepresents facts or makes a misleading statement in its Bid, in any manner whatsoever, the Procurers/Authorised Representative reserves the right to reject such Bid and/or cancel the Letter of Intent, if issued.

- b. If for any reason the Bid of the Bidder with lowest evaluated Levellised Tariff is rejected or Letter of Intent issued to such Bidder is cancelled, the Procurers/ Authorised Representative may:-
- i. invite best reduced financial bids from those Bidders whose Bids are responsive and valid on that date; or
  - ii. annul the bid process ; or
  - iii. take any such measure as may be deemed fit in the sole discretion of the Procurers/Authorised Representative. Moreover the Procurers / Authorised Representative shall record the reasons for the same.

If such event is discovered after the Effective Date, consequences specified in PPA shall apply discretion of the Procurers/Authorised Representative<sup>1</sup>

- c. Bid submitted by the Bidder, within the Bid Deadline, shall become the property of the Procurers and the Authorised Representative and the Procurers and the Authorised Representative shall have no obligation to return the same to the Bidder.

2.7.1.4. The Bidder shall inter-alia take into account the following while preparing and submitting the Financial Bid: -

1. The Bidder shall quote the Quoted Escalable Capacity Charge and Quoted Non-Escalable Capacity Charges. The Bidder shall also quote the Net Quoted Net Heat Rate (kCal/kWhr). In case of Quoted Escalable Capacity Charges, the Bidder shall quote charges only for the first Contract Year after Scheduled COD of first Unit.
2. Quoted Net Heat rate shall be in range of 2200 kcal/KWh to 2420 Kcal/KWh. No adjustment shall be provided for heat rate degradation.
3. Ratio of minimum and maximum Quoted Capacity Charges during the term of PPA shall not be less than zero point seven (0.7) and this ratio shall be applied only at the Bid evaluation stage on the Quoted Capacity Charges after duly escalating the Quoted

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<sup>1</sup> The Procurer shall record the reasons for the same

Escalable Capacity Charge on the basis of the escalation rates specified in Clause 3.3.1.3.

4. The Quoted Tariff in Format 1 of Annexure 4 shall be an all inclusive tariff and no exclusions shall be allowed. The Bidder shall take into account all costs including capital and operating costs, statutory taxes (other than Tax on Income), duties, levies while quoting such tariff. Availability of the inputs necessary for generation of power should be ensured by the Seller at the Project Site and all costs involved in procuring the inputs (including statutory taxes, duties, levies thereof) at the Project Site must be reflected in the Quoted Tariff.
5. Incentive for Early Commissioning of Unit  
Best efforts schedule shall be synchronization of 1<sup>st</sup> unit in the 11<sup>th</sup> plan and successful bidder will make all out efforts to advance the scheduled date of COD for which incentive shall be paid, in addition to normal energy charge, as below:
  - a) In case COD as specified in Format 3 of Annexure 6 is advanced upto 3 months, incentive shall be 20 paise/unit for any energy supplied up to the schedule date of COD.
  - b) In case the COD is advanced by more than 3 months, incentive shall be as per the following slabs. .

<i>Sr No.</i>	<i>Period</i>	<i>Incentive</i>
1.	<i>Greater than 3 months and upto 4 Months</i>	<i>30 paise per unit</i>
2	<i>Greater than 4 months and upto 5 Months</i>	<i>40 paise per unit</i>
3	<i>Greater than 5 months and upto 6 Months</i>	<i>50 paise per unit</i>
4	<i>Greater than 6 months and upto 7 Months</i>	<i>60 paise per unit</i>
5	<i>Greater than 7 months and upto 8 Months</i>	<i>70 paise per unit</i>
6	<i>Greater than 8 months and upto 9 Months</i>	<i>80 paise per unit</i>
7	<i>Greater than 9 months and upto 10 Months</i>	<i>90 paise per unit</i>
8	<i>Greater than 10 months and upto 11 Months</i>	<i>100 paise per unit</i>
9	<i>Greater than 11 months and upto 12 Months</i>	<i>110 paise per unit</i>
10	<i>Greater than 12 months and upto 13 Months</i>	<i>125 paise per unit</i>
11	<i>Greater than 13 months and upto 14 Months</i>	<i>140 paise per unit</i>
12	<i>Greater than 14 months</i>	<i>155 paise per unit</i>

The above incentives are slab wise. A detailed illustration explaining the incentive mechanism is attached as per Annexure 18 of the RfP.

The bidders are to note that early commissioning of 1st unit or any unit shall not result in advancement in scheduled date of COD of subsequent unit(s). Hence in case of advancement of Scheduled COD of the 1st unit, the condition of maximum 5 months time period between successive units as per Condition No 3 of format 3 of Annexure 6 will not be applicable to 2nd and 3rd units. However overall condition for commissioning of entire Power Station as whole within 64 months from the date of Issue of LoI shall remain.

The incentives as above will not be applicable to the Additional Unit proposed to be developed by bidder as provided under clause 1.1.7 of this RfP.

***Bidders are to note that such incentives shall not form part for evaluation of financial bids submitted by the bidders.***

6. Bidders are required to insert the Contract Years, commencing from the Scheduled COD of the first Unit, in the Format 1 of Annexure 4. For instance, if the Scheduled COD of first Unit is on June 1, 2011, then Contract Year corresponding to such date shall be 2011-2012. Thereafter, the Contract Year shall be in terms of subsequent financial years (April 1 to March 31) i.e. the next Contract Year shall be 2012-2013 and so on.

Provided that the last Contract Year in the Format 1 of Annexure 4 shall be the financial year (i.e. April 1 to March 31) in which the 25<sup>th</sup> anniversary of the Scheduled COD of the First Unit occurs. For the avoidance of doubt, in case the Scheduled COD of the First Unit occurs on June 1, 2013 then the 25<sup>th</sup> anniversary of the Scheduled COD of the First Unit shall occur on June 1, 2038, i.e. in the Contract Year 2038-39.

7. Bidders shall have the option to quote firm Quoted Capacity Charges for the term of the PPA, i.e. where the Quoted Escalable Capacity Charges shall be 'nil' for all the Contract Years.
8. The Bidders should factor the cost of the secondary fuel into the Quoted Tariff and no separate reimbursement shall be allowed on this account.

## 2.7.2 Bidder to inform himself fully

2.7.2.1. The Bidder shall make independent enquiry and satisfy himself with respect to all the required information, inputs, conditions and circumstances and factors that may have any effect on his Bid. While submitting the Bid the Bidder shall be deemed to have inspected and examined the site conditions (including but not limited to its surroundings, its geological condition, the adequacy of the road and rail links to the Site and the availability of adequate supplies of water), examined the laws and regulations in force in India, the transportation facilities available in India, the grid conditions, the conditions of roads, bridges, ports, etc. for unloading and/or transporting heavy pieces of material and has based its design, equipment size and fixed its price taking into account all such relevant conditions and also the risks, contingencies and other circumstances which may influence or affect the supply of power. Accordingly, the Bidder acknowledges that, on being selected as Successful Bidder and on acquisition of the Seller, the Seller shall neither be relieved from any of its obligations under the RfP Project Documents nor shall the Seller be entitled to any extension of time or financial compensation by reason of the unsuitability of the Site for whatever reason.

2.7.2.2. In their own interest, the Bidders are requested to familiarize themselves with the Electricity Act, 2003, the Income Tax Act 1961, the Companies Act, 1956, the Customs Act, the Foreign Exchange Management Act, IEGC, the regulations framed by regulatory commissions and all other related acts, laws, rules and regulations prevalent in India. PPGCL shall not entertain any request for clarifications from the Bidders regarding the same. Non-awareness of these laws or such information shall not be a reason for the Bidder to request for extension of the Bid Deadline. The Bidder undertakes and agrees that before submission of its Bid all such factors, as generally brought out above, have been fully investigated and considered while submitting the Bid.

2.7.2.3. PPGCL shall not permit any change in any time schedule mentioned in this RfP or any financial adjustment arising due to lack of clear information on matters such as Site conditions, laws and regulations and other related information and/or its effect on the Bid.

- 2.7.2.4. Bidders may note that the Project may qualify for “carbon finance” through Clean Development Mechanism (“CDM”) of UNFCCC or any other carbon trading mechanism namely EU-TS etc. resulting in additional revenue stream in terms of Certified Emission Reductions (“CERs”) which are a tradeable commodity. Bidders may like to consider such benefits while quoting Quoted Tariff. Bidders are required to make necessary assessment of possibility of availing “carbon finance” benefits on their own. However, it may be noted that the Procurers and Authorised Representative do not take any responsibility or liability on this account whatsoever.
- 2.7.2.5. Bidders may also note that the Seller may raise debt funds for the Project on a project finance basis. However, it is clarified that the Bidder and/or its Affiliates and/or its Parent and/or Ultimate Parent are free to guarantee or provide additional security in respect of the debt funds raised by the Seller for the Project.
- 2.7.2.6. The technical requirements of integrated grid operation are specified in the Indian Electricity Grid Code (IEGC). The Bidders should particularly acquaint themselves with the requirements of connection conditions, operating code for Regional Grids, Scheduling and Dispatch code etc. The Bidders are also advised to fully familiarize themselves with the real time grid conditions in the country. Information regarding grid parameters such as voltage and frequency is readily available on the websites of Regional Load Dispatch Centres. The protection trip setting of the generation on under frequency df/dt and defense plan are coordinated at the RPC forum in consultation with all stakeholders duly taking into account the design parameters of the various machines.

### **2.7.3 Change in Bidding Consortium or Ownership**

- 2.7.3.1. In case of a request for change in the Bidding Consortium or change from Bidding Company to Bidding Consortium, the provisions of clause 2.5.1.4 and 2.5.1.5 of the RfQ shall mutatis mutandis apply. In addition the Bidder, shall submit all information required to be submitted by the Bidder as stipulated in the RfQ and in the formats specified in RfQ, for fulfilling the qualification criteria specified in the RfQ except that period for which such information is to be submitted shall apply with respect to the date which is seven days before the date of request for change in consortium. The Procurers/Authorised

Representative reserves the right to seek additional information from the Bidder, if considered necessary, during the course of evaluation of such request for change.

A change in ownership shall be permitted subject to the condition that after the Change in Ownership the Bidder shall be qualified as required by the provisions of the RfQ, including technical and financial qualification, a Change in Ownership may be permitted in the following cases:

- i) the Bidder with any of its Affiliates
- ii) Parent/ Affiliate (whose technical and / or financial credentials were used at the time of RfQ) with any other Affiliate of the Bidder
- iii) Parent/ Affiliate/Ultimate Parent / Bidder with any other company provided
  - a. the company is not a Bidder for the Project ,
  - b. Parent/ Affiliate/Ultimate Parent of the company is not a Bidder for the Project,
  - c. the company is not Parent/ Affiliate/Ultimate Parent of any Bidder for the Project

2.7.3.2. In case of non-compliance with any of the conditions of clauses 2.5.1.4 and 2.5.1.5 of the RfQ and 2.7.3.1 of this RfP, the Procurers/Authorised Representative reserves the right to reject the Bid or cancel the Letter of Intent, if issued and the provisions of clause 2.7.1.3 of this RfP shall apply.

#### **2.7.4 Minimum Equity holding/Equity Lock-In**

2.7.4.1. The aggregate equity share holding of the Selected Bidder in the issued and paid up equity share capital of the Seller shall not be less than the following:

- a. Fifty One percent (51%) up to a period of (2) two years after COD of the Power Station; and
- b. Twenty-Six (26%) for a period of three (3) years thereafter.

It is clarified that if any of the entity/entities mentioned in serial number 6 of Clause 2.7.1.1 make equity investment in the Seller, the minimum shareholding requirements specified in this Clause 2.7.4.1, shall apply to such entity/entities. It is also clarified that in case the Selected Bidder is a Bidding Consortium, then the members (other than the Lead Member) of the such Bidding Consortium shall be allowed to

divest their equity as long as the other remaining members (which shall always include the Lead Member) hold the minimum equity specified in a) and b) above. It is further clarified that in case equity is held by the Affiliates, Parent or Ultimate Parent, subject to the proviso below, the Selected Bidder shall be permitted to transfer its shareholding in the Seller to its Affiliate/s or Ultimate Parent. If any such shareholding entity, qualifying as an Affiliate/Ultimate Parent, is likely to cease to meet the criteria to qualify as an Affiliate/Ultimate Parent, the shares held by such entity shall be transferred to another Affiliate/Ultimate Parent.

Provided further, the Lead Member of the Consortium or bidding company shall compulsorily hold at least twenty six percent (26%) of the total paid equity share capital of the Seller for at least five (5) years post COD of the Power Station, where after Lead Member or Bidding Company shall have the right to disinvest its entire equity holding in the Seller. In case the Lead Member or is holding equity through Affiliate/s, Ultimate Parent or Parent, such restriction shall apply to such entities.

All transfers of shareholding of the Seller by any of the entities referred to above, shall be after prior written intimation to the Procurers, of at least fifteen (15) days.

- 2.7.4.2. The Selected Bidder may invest in the equity share capital of the Seller through its Affiliate(s) or Ultimate Parent or Parent. If the Selected Bidder so invests through any Affiliate(s) or Ultimate Parent or Parent, the Selected Bidder shall be liable to ensure that minimum equity holding/lock-in limits specified above are still maintained. For this purpose, the effective shareholding of such Selected Bidder in the Seller shall be considered as follows: -

For computation of effective Equity holding, the Equity holding of the Selected Bidder or its Ultimate Parent in such Affiliate(s) or Parent and the equity holding of such Affiliate(s) or Ultimate Parent in the Seller shall be computed in accordance with the example given below:

If the Parent or the Ultimate Parent of the Selected Bidder A directly holds thirty percent (30%) of the equity in the Seller, then holding of Selected Bidder A in the Seller shall be thirty percent (30%);

If Selected Bidder A holds thirty percent (30%) of the Affiliate and the Affiliate holds fifty percent (50%) in the Seller, then, for the purposes of ascertaining the minimum equity/equity lock-in requirements specified above, the effective holding of Selected Bidder A in the Seller shall be fifteen percent (15%), (i.e. 30%\* 50%);

2.7.4.3. The provisions as contained in this clause 2.7.4 and Article 18.16 of PPA shall override the terms of the Joint Deed Agreement submitted as a part of RfQ.

## 2.8 Due dates

2.8.1 The Bidders should submit the Bids so as to reach the following address by 14:00 hrs (IST) on 30<sup>th</sup> November, 2008:

*Address of the Office:*

Prayagraj Power Generation Company Ltd  
3rd Floor, Shakti Bhawan Extension,  
14-Ashok Marg, Lucknow 226001  
Uttar Pradesh, India  
Ph : +91-522-2287867/2287343  
Fax : +91-522-2288484/2287343

2.8.2 Important timelines are mentioned below:

<b>Date</b>	<b>Event</b>
23 <sup>rd</sup> November, 2008	Final clarification and revision of RFP, if required and information on Acquisition Price
30 <sup>th</sup> November, 2008	Submission of Financial and Non Financial Bids
30 <sup>th</sup> November, 2008	Opening of Non Financial Bids
6 <sup>th</sup> December, 2008	Opening of Financial Bids
15 <sup>th</sup> December, 2008	Selection of Successful bidder and issue of LoI
31 <sup>st</sup> December, 2008	Signing of Agreement

Provided further that, if any of the activity mentioned under clause 1.1.4 to be completed prior to bid opening is not completed, then the

date for opening of financial bid shall be extended on a day for day basis till the end of the Bid validity period.

Provided further that, if any of the activity mentioned under clause 1.4 to be completed before issue of LoI is not completed, than the date of issuance of LoI shall be extended on a day for day basis till the end of the Bid validity period.

Moreover, a visit to plant will be facilitated to bidders on any working day with prior notice of 2 working days to authorized representative.

## 2.9 **Validity of the Bid**

2.9.1 The Bidder shall submit the Bid that shall remain valid for a period of one hundred eighty (180) days from the Bid Deadline. The Procurers/Authorised Representative reserves the right to reject any Bid that does not meet the aforementioned validity requirement.

2.9.2 The Procurers/Authorised Representative may solicit the Bidder's consent for an extension of the period of validity of the Bid, not exceeding sixty (60) days. The request and the response, thereafter, shall be in writing. In the event the Bidder refuses to extend the Bid validity as requested by the Procurers/Authorised Representative, the Procurers/Authorised Representative shall not be entitled to invoke the Bid Bond. A Bidder accepting Procurers/Authorised Representative's request for validity extension shall not be permitted to modify its Bid and such Bidder shall, accordingly, extend the validity of the Bid Bond as requested by the Procurers/Authorised Representative within seven (7) days of such request, failing which the Bid shall not be considered as valid.

## 2.10 Method of submission

2.10.1 Bids are to be submitted in single sealed cover envelope (as mentioned in Clause 2.10.2) containing Envelope I and Envelope II each one duly sealed separately. Envelope I and Envelope II should be transcribed in the following way;

Envelope I transcript - "Bid for supply of power to Procurers from 3 x 660MW Prayagraj Power Project

Bidder's Name- \_\_\_\_\_ "

Due for opening on \_\_\_\_\_

Envelope I: Non Financial Bid "

Envelope II transcript - "Bid for supply of power to Procurers from  
3 x 660MW Prayagraj Power Project  
Bidder's Name

\_\_\_\_\_

Due for opening on \_\_\_\_\_

Envelope II: Financial Bid"

2.10.2 The two sealed Envelopes (mentioned in Clause 2.10.1) for the Bid submitted by Bidders should be packed in a single sealed cover envelope, with the following superscript:

"Bid for supply of power to Procurers from 3 x 660MW Prayagraj Power Project"

Bidder's name \_\_\_\_\_ Due for opening on [insert date of opening of Non Financial Bid]

The Bidder has the option of sending its Bid either by registered post or speed post, or courier, or by hand delivery, so as to reach the Authorised Representative at the designated address by the Bid Deadline. Bids submitted by telex/telegram/fax/e-mail shall not be considered under any circumstances. Procurers / Authorised Representative shall not be responsible for any delay in receipt of the Bids. Any Bid received by Authorised Representative after the Bid Deadline shall be returned unopened.

2.10.3 It may be noted that Non-financial Bid (Envelope I) shall not contain any information/document relating to Financial Bid. If Non-financial Bid contains any such information/documents, PPGCL shall not be responsible for premature opening of the Financial Bid.

All pages of the Bid submitted and corrections, if any, must be signed by the authorised signatory on behalf of the Bidder. It is clarified that the same authorised signatory shall sign all pages of the Bid.

2.10.4 Bid shall be submitted in 1 original + 2 photo copies which are duly attested by the Bidder. No change or supplemental information to a Bid will be accepted after the Bid Deadline, unless the same is requested for by the Procurers/Authorised Representative. Provided that a Bidder shall always have the right to withdraw or modify its Bid before the Bid Deadline and in such a case if the bid is withdrawn, its Bid shall be returned unopened.

2.10.5 If the outer cover envelope or Envelope I or Envelope II is not sealed and not transcribed as required, the Procurer/Authorised Representative will assume no responsibility for the Bid's misplacement or premature opening.

## 2.11 **Preparation cost**

2.11.1 The Bidder shall be responsible for all the costs associated with the preparation of the Bid and participation in discussions and attending Pre-bid meetings, etc. PPGCL shall not be responsible in any way for such costs, regardless of the conduct or outcome of this bid process.

2.11.2 The cost of this RfP is Rupees 10 lakhs or equivalent U.S. Dollar which shall be non-refundable. This amount shall be payable by a crossed demand draft or banker's cheque drawn in favour of "Prayagraj Power Generation Company Limited"

## 2.12 **Bid Bond**

2.12.1 Each Bidder shall submit the Bid accompanied by Bid Bond issued by any of the banks listed in Annexure 12. The Bid Bond shall be valid for a period of seventy (70) days beyond the validity of the Bid.

2.12.2 Subject to the provisions of Clause 2.1.4, the Bid Bond may be invoked by the Procurers on account of any of the following:

- Failure to execute the SPA as per the provisions of Clause 2.1.3.2; or
- Failure to furnish the Performance Guarantee as per Clause 2.1.3.2 and Clause 2.13; or
- The Bid Bond shall also be invoked by the Procurers for submission of wrong information by the Bidder or making any misrepresentation in Bid as mentioned in Clause 2.7.1.3.

Intimation of the reasons of the invocation of the Bid Bond shall be given to the Selected Bidder within three (3) working days after such invocation.

### 2.12.3 **Return of Bid Bond**

- (i) Bid Bonds of all the Bidders whose Bids are declared non-responsive shall be returned within a period of thirty (30) days after the date on which Financial Bids are opened.
- (ii) The Bid Bond of all unsuccessful Bidders shall be returned and released by the Procurer/Authorised Representative within a period of thirty (30) days of the occurrence of the earlier of the following:
  - a. submission of the Performance Guarantee and purchase of 100% equity of the Seller by the Successful Bidder as per the provisions of the Project Documents (as applicable);
  - b. Expiry of the Bid Validity/extended validity of unsuccessful Bidders.

2.12.4 The Bid Bond of the Successful Bidder shall be returned on submission of Performance Guarantee as per Clause 2.13 and the provisions of the PPA.

### 2.13 **Performance Guarantee**

2.13.1 The Selected Bidder, on behalf of the Seller, shall provide to the Procurers within the time period as specified in Clause 2.1.3.2, the Performance Guarantee in the format provided in the Annexure 11, for an aggregate amount of Rs one hundred and fifty Crores, [which shall be provided separately to each of the Procurer for the amount calculated pro-rata (and rounded off to the nearest one lakh with the principle that amounts below Rs. One Lakh shall be rounded down and amounts of Rs. Fifty Thousand and above shall be rounded up), in the ratio of their then existing Allocated Contracted Capacities. The Performance Guarantee shall be initially valid for a period of three (3) months after the Scheduled COD of the Power Station and thereafter shall be dealt with in accordance with the provisions of the PPA. The Performance Guarantee shall be issued only by the banks listed in Annexure 12.

2.13.2 In case the Selected Bidder is unable to obtain the Performance Guarantee for the total amount of Rs. One Fifty Crores from any one bank specified in Annexure 12, the Selected Bidder may obtain the same from not more than three (3) banks specified in Annexure 12 subject however to the apportionment as provided in Clause 2.13.1.

#### 2.14 **Formation of Co-ordination Committee**

Upon the issuance of LoI to successful bidder, a co-ordination committee shall be formed of a representative from of all the procurers, developer, STU and UPPCL to keep updated all the parties with project development activities and co-relate each other's time schedule for successful commissioning of the project. The committee will work in terms of Article 5.8 of PPA and any such other mutually agreed terms.

#### 2.15 **Bidders may note that**

2.15.1 Language of the Bid shall be English only.

2.15.2 Bidders shall mention the name of the contact person and complete address of the Bidder in the covering letter as per Annexure 9.

2.15.3 The Procurers/Authorised Representative may, at its sole discretion, ask for additional information and/or seek clarifications from a Bidder after the Bid Deadline, inter alia, for the purposes of removal of inconsistencies or infirmities in its Bid.

## 2.16 **Opening of Bids**

2.16.1 Envelope I and Envelope II will be opened as per the following time schedule and at the venue where the Bids are required to be submitted, in the presence of one representative from such Bidders who wish to be present:

Opening of Envelope I: [1500] hours (IST) on [30<sup>th</sup> November 2008]

Opening of Envelope II: [1100] hours (IST) on [6<sup>th</sup> December 2008]

Or such other dates as may be intimated by the Procurer/Authorised Representative to the Bidders.

Provided further, if any of the activity mentioned under clause 1.1.4 to be completed before Financial bid opening, than the date of opening of financial bid shall be extended on a day for day basis till the end of the Bid validity period.

2.16.2 The following information from each Bid will be read out to all the Bidders at the time of opening of Envelope I and Envelope II:

- (i) Name of the Bidding Company/ Consortium Members in case of Bidding Consortium (Format 2 of Annexure 6) (applicable only for Envelope I)
- (ii) Details of Format 3 of Annexure 6 (applicable only for Envelope I)
- (iii) Details of Bid Bond (applicable only for Envelope I)
- (iv) Quoted Tariff (applicable only for Envelope II)

## 2.17 **Enquiries**

Clarifications under Clause 2.5.3 may be sought from

*Address of the Office*

**Chief Engineer (Project)**

**Prayagraj Power Generation Company Limited**

3<sup>rd</sup> Floor, Shakti Bhawan Extension,

14-Ashok Marg, Lucknow 226001

Uttar Pradesh, India

Ph : +91-522-2287867/2287343

Fax : +91-522-2288484/2287343
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## 2.18 Confidentiality

2.18.1 The Parties undertake to hold in confidence this RfP and Project Documents and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except:

- a. to their professional advisors;
- b. to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or
- c. Disclosures required under Law.

Without the prior written consent of the other Parties

Provided that the Seller agrees and acknowledges that any of the Procurers may at any time, disclose the terms and conditions of the RfP and the Project Documents to any person, to the extent stipulated under the Law or the Bidding Guidelines.

## 2.19 Right of the Procurer to reject any Bid

The Procurers/ Authorised Representative reserve the right to reject all or any of the Bids or cancel the RfP without assigning any reasons whatsoever and without any liability.

### **3. Evaluation Criteria**

#### 3.1 Bid Evaluation

3.1.1 The Bid evaluation process comprises of the following three steps:

1. Step I – Responsiveness check (Envelope I)
2. Step II - Evaluation of Financial Bids (Envelope II)
3. Step III– Successful Bidder selection

#### 3.2 Step I - Responsiveness check

3.2.1 The Non-Financial Bids submitted by Bidders shall be initially scrutinized to establish "Responsiveness". Subject to Clause 2.15.3, any of the following conditions may cause the Bid to be considered "Non-responsive", at the sole discretion of the Procurers/Authorised Representative:

- i) Bid not meeting any of the conditions mentioned in Format 3 of Annexure 6; or
- ii) Applicable Board Resolutions, as provided in Clause 2.7.1.1 above, not being submitted; or
- iii) Bid not accompanied by a valid Bid Bond; or
- iv) Bid not signed by authorised signatory in the manner and to the extent indicated in this RfP as per Clause 2.10.3 and non submission of Power of Attorney//; or
- v) Bid validity being less than that required as per Clause 2.9 of this RfP; or
- vi) Bid not containing Format 1 (Bidders' Undertakings) of Annexure 6;or
- vii) Bid being conditional
- viii) Any request for change in composition of a Consortium or change from Bidding Company to Bidding Consortium or Change in Ownership has not been permitted by the Procurers/ Authorised Representative.
- ix) Bids having Conflict of Interest

### 3.3 Step II - Evaluation of Financial Bids

#### 3.3.1 General

3.3.1.1. Envelope II of Bids which have been accepted for opening by Procurers/ Authorised Representative, based on the responsiveness check as specified above in Clause 3.2, shall be opened in presence of the representatives of the Bidders, who wish to be present, as per the timelines indicated in Clause 2.16.1 The financial evaluation of Financial Bids will be carried out based on information furnished in Envelope II. Provided however, in case Envelope II of only one Bidder remains after the responsiveness check (Step I) under Clause 3.2, the Envelope II of such Bidder shall not be opened and the matter shall be referred to Appropriate Commission and the selection of the Bidder shall then be at the sole discretion of the Appropriate Commission.

Further envelope II for financial bid containing any other documents / letters / insertions / inscriptions other than the stipulated format as in Annexure 4 may cause the Bid to be considered "Non-responsive", at the sole decision of the Authorised Representative, rendering it liable for rejection. Also conditional Financial Bids shall be rejected.

3.3.1.2. The Financial Bids would be compared on the basis of Quoted Tariff for the term of the PPA, as mentioned hereafter.

3.3.1.3. The Bidders shall quote the different components of Quoted Tariff as specified in Format 1 of Annexure 4. Based on the Quoted Tariff provided by the Bidders, the Levellised Tariff (in Rs. per kWh) of each Bid shall be calculated for the term of the PPA as per the methodology mentioned below:

- a. For the purposes of comparison of Financial Bids, the Quoted Escalable Capacity Charge and Energy Charges of each Bidder shall be uniformly escalated as per the inflation / escalation rates mentioned below. For the actual tariff payment, however, such factors shall be applied as per the provisions of the PPA

Head	Value
1. Annual escalation rate applicable to Quoted Escalable Capacity Charges	This shall be the rate notified by the CERC applicable on the day which is seven (7) days prior to Bid Deadline presently it is 4.98%

2. Annual escalation rate applicable to Energy Charges.	This shall be the rate notified by the CERC applicable on the day which is seven (7) days prior to Bid Deadline presently it is 6.77%
3. Gross Calorific Value of Fuel (Kcal/kg)	4175 As per Annexure 16
4. Price of Fuel as on Bid Deadline (Rs/MT)	Rs 1351 per M.T. (Rs. 1037 per M.T. + 314 Freight)
5. Discount Rate for Levellised Tariff	This shall be the rate notified by the CERC applicable on the day which is seven (7) days before Bid Deadline presently it is 10.49%

- b. The factor at Sl. No. 1 in the above table shall be applied from the Scheduled COD of the first Unit and the factor at Sl. No. 2 to 5 shall be applied from the Bid Deadline [as Applicable]. Further, all the factors (mentioned in Sl. No. 1 and 2) shall be applied as at the mid point of each Contract Year.

3.3.1.4. The Financial Bids submitted by Bidders shall be initially scrutinized to establish "Responsiveness". Subject to Clause 2.15.3, any conditional changes in Financial Bid may cause the Bid to be considered "Non-responsive", at the sole discretion of the Procurers/Authorised Representative.

### 3.3.2 Computing Levellised Tariffs

3.3.2.1. The Energy charge shall be computed as follow

$$\text{Energy Charge} = \frac{\text{Quoted Net Heat Rate} \times \text{Price of Fuel}}{\text{Gross Calorific Value of Fuel}}$$

Quoted Net Heat rate (QHR) = Quoted Net Heat Rate Quoted by bidder as per the format 1 of Annexure 4

Price of Fuel = Price as given under clause 3.3.1.3(a)(4)

Gross Calorific Value of Fuel (GCV) = GCV as given under clause 3.3.1.3(a)(3)

Such Energy Charge shall be escalated for the purpose of Tariff Evaluation as per the rate provided under clause 3.3.1.3(a)(2).

For computation of the Capacity Charge applicable for each of the contract years the Quoted Escalable Capacity Charge shall be escalated as per the rate provided under clause 3.3.1.3 (a) (1). Such Escalated Capacity Charge shall then be added to the Quoted Non Escalable Capacity Charge for each of the contract year to arrive at the total applicable Capacity Charge for the contract year.

The Quoted Tariff for each of the contract year shall be sum total of the computed Energy Charge and Capacity Charge applicable for the respective contract years.

- 3.3.2.2. The escalated Quoted Tariffs (Rs. Per kWh) of each of the Bidders for each Contract Year for the term of PPA, calculated as per provisions of Clause 3.3.1.3, shall then be discounted upto the assumed commissioning date of the entire Contracted Capacity mentioned in Clause 3.3.2.3, by applying the discount factors (based on the discount rate as mentioned in Clause 3.3.1.3 above) and such aggregate discounted value for the term of the PPA shall be divided by the sum of such discount factors so as to calculate the Levellised Tariff of each Bidder.
- 3.3.2.3. The Levellised Tariff shall be calculated by assuming uniformly for all Bidders that entire Contracted Capacity has been commissioned on the date which is 15<sup>th</sup> June 2003. The Bidders are required to quote tariffs for a period of 25 years from COD of first Unit. For the purposes of actual payment, the tariff for the Contract Years beyond the 25 years from the COD of the first Unit shall be the Quoted Tariff of the 25th year from the COD of the first Unit with applicable escalation. The methodology of computation of Levellised Tariff is explained in the example provided in Annexure 13.

#### 3.4 Step III– Successful Bidder Selection

- 3.4.1.1. The Levellised Tariff calculated as per Clause 3.3.2.1 shall be ranked from the lowest to the highest and the Bidder with lowest Levellised Tariff shall be declared as the Successful Bidder and the Letter of Intent shall be issued to such Successful Bidder, subject to Clause 3.4.1.2.

- 3.4.1.2. If the Successful Bidder, to whom the Letter of Intent has been issued does not fulfil any of the conditions specified in Clause 2.1.3.2, then in accordance with provisions of clause 2.1.4, PPGCL reserve the right to cancel the Letter of Intent. Further, in such a case, the provisions of clause 2.7.1.3 shall apply.
- 3.4.1.3. The Procurers/Authorised Representative, in its own discretion, has the right to reject any or all Bids if the Quoted Tariffs are not aligned to the prevailing market prices.

## **ANNEXURE 1**

### **List of Procurers**

The list of procurers with their allocated capacities is as under:

1. Madhayanchal Vidyut Vitaran Nigam Ltd. (MVVNL), Lucknow – 20%.
2. Paschimanchal Vidyut Vitaran Nigam Ltd. (PaVVNL), Meerut – 40%.
3. Poorvanchal Vidyut Vitaran Nigam Ltd. (PVVNL), Varanasi – 20%.
4. Dakshinanchal Vidyut Vitaran Nigam Ltd. (DVVNL), Agra – 15%.
5. Kanpur Electricity Supply Company (KESCO), Kanpur – 5%.

## **ANNEXURE 2**

### **Format for Bid Bond**

#### **Format of the Bid Bond**

#### **FORMAT OF THE UNCONDITIONAL AND IRREVOCABLE BANK GUARANTEE FOR BID BOND**

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution. Foreign entities submitting Bids are required to follow the applicable law in their country)

In consideration of the [Insert name of the Bidder] submitting the Bid inter alia for setting up the Power Station of the capacity of 1980 MW, at Tehsil Bara, District Allahabad, Uttar Pradesh, India for supply of power there from on long term basis, in response to the RfP dated \_\_\_\_ issued by Authorised Representative and Authorised Representative considering such Bid of .....[insert the name of the Bidder] as per the terms of the RfP, the \_\_\_\_\_ [insert name of bank] hereby agrees unequivocally, irrevocably and unconditionally to pay to Uttar Pradesh Power Corporation Limited at 3rd Floor, Shakti Bhawan Extension, 14-Ashok Marg, Lucknow 226001 Uttar Pradesh, India forthwith on demand in writing from Uttar Pradesh Power Corporation Limited or any Officer authorised by it in this behalf, any amount upto and not exceeding Rupees 60 Crores only, on behalf of M/s. \_\_\_\_\_ [Insert name of the Bidder] .

This guarantee shall be valid and binding on this Bank up to and including \_\_\_\_\_ and shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between concerned parties.

Our liability under this Guarantee is restricted to Rupees 60 Crores only. Our Guarantee shall remain in force until \_\_\_\_\_. The Uttar Pradesh Power Corporation Limited shall be entitled to invoke this Guarantee

until [Insert Date which is 30 days after the date in the preceding sentence].

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand by the Uttar Pradesh Power Corporation Limited, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the Lead Procurer.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by the Bidder or any other person. The Guarantor Bank shall not require Uttar Pradesh Power Corporation Limited to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the Uttar Pradesh Power Corporation Limited in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly Uttar Pradesh Power Corporation Limited shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Bidder, to make any claim against or any demand on the Bidder or to give any notice to the Bidder to enforce any security held by Uttar Pradesh Power Corporation Limited or to exercise, levy or enforce any distress, diligence or other process against the Bidder.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs.60 Crores (Rs. Sixty Crores only) and it shall remain in force until \_\_\_\_\_ [Date to be inserted on the basis of clause 2.12.1 of RfP] with an additional claim period of 30 days thereafter. We are liable to pay the guaranteed amount or any part thereof under this BANK GUARANTEE only if the Uttar Pradesh Power Corporation Limited serves upon us a written claim or demand.

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Power of Attorney No. \_\_\_\_\_

For  
\_\_\_\_\_ [Insert Name of the Bank] \_\_\_\_\_

Banker's Stamp and Full Address

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

## **ANNEXURE 3**

### **Format for RfP Project Documents**

**FORMAT 1:- PPA (Enclosed Separately)**

**FORMAT 2:- DEFAULT ESCROW AGREEMENT (Enclosed Separately)**

**FORMAT 3:- AGREEMENT TO HYPOTHECATE Cum DEED OF HYPOTHECATION (Enclosed Separately)**

**FORMAT 4: - SHARE PURCHASE AGREEMENT (Enclosed Separately)**

## ANNEXURE 4

### FORMATS FOR FINANCIAL BIDS

#### Format 1: Quoted Tariff

#### Bid for supply of power to Procurers/Authorised Representative from 3 x 660 MW Prayagraj Power Project

Contract Year	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non-Escalable Capacity (Rs./kwh) for Scenario 4	Quoted Escalable Capacity (Rs./kwh) for Scenario 4	Quoted Net Heat Rate (Kcal/kwh) [Scenario 4]
	Scheduled COD of first Unit	March 31			
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above

	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	March 31		Same as above	Same as above
	April 1	25 <sup>th</sup> anniversary of the Scheduled COD of first Unit		Same as above	Same as above

**Note:**

- 1. Please refer Clause 2.7.1.4 of RfP**
- 2. The Quoted Tariff in Rs./kWhr shall be provided up to three (3) decimal points.**
- 3. The contents of this format shall be clearly typed.**
- 4. All pages of this format shall be signed by the Authorised Person in whose name Power of Attorney/Board Resolution as per Clause 2.7.1.1 is issued.**
- 5. Ensure 26 values of Non-Escalable tariff components, only 1 value for Escalable components and 1 value for Quoted Net Heat Rate.**
- 6. Quoted Net Heat rate shall be in range of 2200 kcal/KWh to 2420 Kcal/Kwh. No adjustment shall be provided for heat rate degradation.**

**Signature of Authorised Person in whose name Power of Attorney/Board Resolution as per Clause 2.7.1.1 is issued Name**

## **ANNEXURE 5**

### **SITE DETAILS ALONG WITH SITE MAP**

Project Profile provided separately in CD

## **ANNEXURE 6**

### **UNDERTAKINGS, SCHEDULED COD AND CONTRACTED CAPACITY**

#### **Format 1**

#### **Bidders' Undertaking**

**[On the Letter Head of the Bidding Company/Lead Member of Bidding Consortium]**

To,

Insert Name of Authorised Representative

Dear Sir,

#### **Sub: Bidders' Undertakings for Bid for supply to Procurer**

We hereby undertake on our own behalf and on behalf of the Seller, that if selected as the Successful Bidder for the Project:

1. We give our unconditional acceptance to the RfP Project Documents issued by Authorised Representative as a part of the RfP dated [insert], as amended and executed. We shall execute Share Purchase Agreement as per the provisions of the RfP.
2. We have submitted our Financial Bid strictly as per the formats provided in Annexure 4 of the RfP, without any deviations, conditions and without mentioning any assumptions or notes for the Financial Bid in the said Annexure.
3. We have submitted the Bid on the terms and conditions contained in the RfP and we hereby confirm our acceptance of all the terms and conditions of RfP .
4. Our Bid (including Financial Bid) is valid upto the period required under Clause 2.9 of the RfP.

5. Our Bid (including Financial Bid) has been duly signed by authorised signatory and sealed in the manner and to the extent indicated in this RfP and the Power of Attorney/Board Resolution as per Clause 2.7.1.1 in requisite format as per RfP has been enclosed in original with this undertaking.
6. We have assumed that if we are selected as the Successful Bidder, the provisions of the Joint Deed Agreement submitted at the time of RfQ, to the extent and only in relation to equity lock in and our liability thereof shall get modified to give effect to the provisions of clause 2.7.4.1 of RfP and Article 18.16 of PPA. (Applicable only in case of a Bidding Consortium)
7. We agree to sell our entire shareholding in the Seller as per the provisions of article 3.3.3A of the PPA.
8. We confirm that our Bid meets all the conditions specified in Format 3 of Annexure 6 of RfP namely:
  - a. The Scheduled COD of the first Unit shall not be later than 54 months from the date of issue of Letter of Intent to successful bidder as defined in PPA, subject to the provisions of the PPA.
  - b. The Scheduled COD of the Power Station shall not be later than 59 months from the date of Issue of Letter of Intent to successful bidder as defined in PPA, subject to the provisions of the PPA.
  - c. Difference in Scheduled COD of any two successive Units shall not exceed a period of 6 months, subject to the provisions of the PPA.
  - d. The sum total of the Net Contracted Capacities at the delivery point shall in line with meaning ascribed to it under Article 1 of PPA.
  - e. The Units shall be based on Supercritical Technology.
9. We confirm that our Financial Bid conforms to all the conditions in the RfP including:
  - a. Ratio of minimum and maximum Quoted Capacity Charges during the Contract Years for which Tariff has been quoted by the Bidder in Format 1 of Annexure 4 of the Bid shall not be less than zero point seven (0.7) as provided in Clause 2.7.1.4 item 2.

- b. Financial Bid is in the prescribed Format I of Annexure 4, shall be submitted duly signed by the Authorised Signatory
- c. Financial Bid is unconditional
- d. Only one Financial Bid is submitted by the Bidder

10. We have neither made any statement nor provided any information in this Bid, which to the best of our knowledge is materially inaccurate or misleading. Further, all the confirmations, declarations and representations made in our Bid are true and accurate. In case this is found to be incorrect after our acquisition of Prayagraj Power Generation Company Limited pursuant to our selection as Selected Bidder, we agree that the same would be treated as a Seller's event of default under PPA, and consequent provisions of PPA shall apply. Signature and name of Authorised Person in whose name Power of Attorney/Board Resolution as per Clause 2.7.1.1 is issued

Original Power of Attorney/Board Resolution as per Clause 2.7.1.1 is enclosed. Rubber stamp of the Bidder to be affixed

**Format 2: Executive Summary**

1.1.a Name of the Bidding Company/ Bidding Consortium

1.1.b Name of the Lead Member in the case of a Bidding Consortium

1.1.c Prayagraj Power Project

1.2 Details of the Bidding Consortium

S. No.	Name of the Company	% of equity Participation	Role Envisaged

Note:- If the Selected Bidder proposes to invest in the equity share capital of the Seller in accordance with Clause 2.7.4.2, through its Affiliate(s) or Ultimate Parent or Parent, the Bidder should indicate the percentage of the shareholding proposed to be held by such Affiliate(s) or Ultimate Parent or Parent in the Seller. In this case, the Bidder shall also provide the details of the proposed/actual equity shareholding of the Selected Bidder or Ultimate Parent or Parent in the said Affiliate(s).

Signature and Name of Authorised Person in whose name Power of Attorney/Board Resolution as per Clause 2.7.1.1 has been issued

**Format 3: Scheduled COD and Contracted Capacity**

<b>Unit</b>	<b>Gross Capacity (in MW)</b>	<b>Contracted Capacity of Unit (in MW)</b>	<b>Scheduled COD of Unit (in months from date of issue of Letter of Intent )</b>
Unit 1			
Unit 2			
Unit 3			
<b>Total</b>			

**Important Conditions:**

1. The Scheduled COD of the first Unit shall not be later than 54 months from the the date of issue of Letter of Intent to successful bidder as defined in PPA, subject to the provisions of the PPA.
2. The Scheduled COD of the Power Station shall not be later than 64 months from the date of issue of Letter of Intent to successful bidder as defined in PPA, subject to the provisions of the PPA.
3. Difference in Scheduled COD of any two successive Units shall not exceed a period of 5 months, subject to the provisions of the PPA
4. Total "Contracted Capacity" of the Power Station as a whole, net-off auxiliary consumption shall not be less than 1648 MW.
5. The units shall be based on Super Critical Technology.

Signature and Name of Authorised Person in whose name Power of Attorney/Board Resolution as per Clause 2.7.1.1 has been issued

## ANNEXURE 7

**Format for Clarifications /Amendments on the RfP  
(Applicable only for the Pre-Bid meeting before  
submission of the Bid in response to the RfP)**

Sr No.	Document	Clause No. and Existing provision	Clarification required	Suggested text for the amendment	Rationale for the Clarification or Amendment

Signature \_\_\_\_\_  
For

\_\_\_\_\_

Bidder's Rubber Stamp and Full Address.

(Note: This format shall be used for submission of requests for clarifications/amendments on the draft RfP)

## **ANNEXURE 8**

### **Formats for Board Resolutions**

#### **Format 1**

##### **Format of the Board Resolution for the Bidding Company and each member of the Consortium**

[Reference Clause 2.7.1.1 of the RfP]

The Board, after discussion, at the duly convened Meeting on \_\_\_\_\_ [insert date], with the consent of all the Directors present and in compliance of the provisions of the Companies Act, 1956, passed the following Resolution:

RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 and compliance thereof and as permitted under the Memorandum and Articles of Association of the Company, approval of the Board be and is hereby accorded for investment of..... percent (..... %) of the total equity share capital requirements of the Seller representing the entire amount proposed to be invested by the Company for the Prayagraj Thermal Power Project, partly by acquisition of the existing equity shares from Uttar Pradesh Power Corporation Ltd. & its nominees and partly by subscribing to the new equity shares, as per the terms of the RfP.

FURTHER RESOLVED THAT approval of the Board be and is hereby accorded to contribute such further amount over and above the said percentage limit to the extent becoming necessary towards the total equity share obligatory on the part of the Company pursuant to the terms and conditions contained in the Joint Deed Agreement dated \_\_\_\_\_ executed by the Company as per the provisions of RfQ. \*\*

[Note: In the event, the investing entity is an Affiliate or Parent or Ultimate Parent of the Selected Bidder, the following paras in the Board Resolution shall also be passed;]

RESOLVED THAT the Board hereby acknowledges the Board Resolution dated \_\_\_\_\_ passed by the [Name of the Affiliate(s)/Parent/Ultimate Parent] regarding the investment of.....percent(.....%)of the total equity share capital requirements of the Seller, which is to be invested by the [Name of the Affiliate(s)/ Parent/Ultimate Parent] for the Prayagraj Thermal Power Project, partly by acquisition of the existing equity shares from [Insert Name of Share Seller] and partly by subscribing to the new equity shares, as per the terms of the RfP.

FURTHER RESOLVED THAT \_\_\_\_\_, be and is hereby authorised to enter into take all the steps required to be taken by the Company in this regard, including in particular, signing of the Bid, making changes thereto and submitting amended Bid, all the related documents, certified copy of this Board Resolution or letter, undertakings etc, required to be submitted to Authorised Representative (as applicable) as part of the RfP or such other documents as may be necessary in this regard.

Certified True Copy

Note:

1. This certified true copy should be submitted on the letterhead of the Company, signed by the Company Secretary or any of the authorised Directors of the Company and the rubber stamp for the Company shall be affixed.
2. The contents of the format should be suitably re-worded indicating the identity of the entity passing the resolution i.e. the Bidding Company, each Member of the Bidding Consortium.
3. This format may be modified only to the limited extent required to comply with the local regulations and laws applicable to a foreign entity submitting this resolution. For example, reference to Companies Act 1956 may be suitably modified to refer to the law applicable to the entity submitting the resolution. However, in such case, the foreign entity shall submit a certificate signed by a person authorized by law of the Bidder's country certifying that the resolution has been provided in compliance with the applicable local laws outside India and that this format has been modified only to the limited extent to comply with applicable foreign law.

**\*\*Applicable only for Bidding Consortium. To be adopted by Lead Member**

## Format 2

### Format for the Board Resolution of Affiliate/s and Parent or Ultimate Parent

The Board, after discussion, at the duly convened Meeting on \_\_\_\_\_ [insert date], with the consent of all the Directors present and in compliance of the provisions of the Companies Act, 1956, passed the following Resolution:

RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 and compliance thereof and as permitted under the Memorandum and Articles of Association of the Company, approval of the Board be and is hereby accorded for issuing an Undertaking to the Authorised Representative (as applicable) named in the RfP, in the format specified in the RfP issued by Authorised Representative (as applicable), draft of which is attached hereto and initialed by the Chairman whereby the Company undertakes to invest ..... % of the total equity share capital requirements of the Seller, as per the terms of the RfP, representing the entire amount proposed to be invested by [insert the name of the Bidder or member] for the said Project, in case of failure of [insert the name of the Bidder or member] to make such investment”.

FURTHER RESOLVED THAT the Board hereby acknowledges the Board Resolution dated \_\_\_\_\_ passed by [Name of the Bidder/Member in a Consortium] regarding the reiteration of the terms and conditions of the Joint Deed Agreement dated \_\_\_\_\_ including in particular the obligations of [Name of the Selected Bidder] pertaining to joint and several liability to the extent of 100% equity contribution to the project, i.e., for both its own liability as well as the liability of all the other members of the consortium, viz., [Insert names of all the other Members in a Consortium for the Bid] and consent of the Board is hereby accorded for issuing an Undertaking to the Authorised Representative (as applicable) named in the RfP, in the format specified in the RfP issued by Authorised Representative (as applicable), draft of which is attached hereto and initialed by the Chairman whereby the Company undertakes to invest 100 % of the total equity share capital requirements of the Seller, as per the terms of the said Joint Deed Agreement.\*\*

FURTHER RESOLVED THAT \_\_\_\_\_, be and is hereby authorised to enter into and take all the steps required to be taken by the Company in this regard, including in particular, signing the said Undertaking, issuing the same

to the Authorised Representative (as applicable) of all the related documents, certified copy of this Board resolution or letter, undertakings etc, required to be submitted to Authorised Representative (as applicable) as part of the RfP or such other documents as may be necessary in this regard.

Certified True Copy

Notes:-

1. This certified true copy should be submitted on the letterhead of the Company, signed by the Company Secretary or any of the authorised Directors of the Company and the rubber stamp for the Company shall be affixed.
2. The contents of the format should be suitably re-worded indicating the identity of the entity passing the resolution i.e. the Bidding Company, each Member of the Bidding Consortium.
3. This format may be modified only to the limited extent required to comply with the local regulations and laws applicable to a foreign entity submitting this resolution. For example, reference to Companies Act 1956 may be suitably modified to refer to the law applicable to the entity submitting the resolution. However, in such case, the foreign entity shall submit a certificate signed by a person authorized by law of the Bidder's country certifying that the resolution has been provided in compliance with the applicable local laws outside India and that this format has been modified only to the limited extent to comply with applicable foreign law.

**\*\* Applicable only for Consortium to be adopted only by the Affiliate/Parent /Ultimate Parent of the Lead Member in a Bidding Consortium**

## **ANNEXURE 9**

### **Format of Covering Letter**

**[On the Letter Head of the Bidding Company/Lead Member of the Bidding Consortium]**

Bidder's Name:

Full Address:

Telephone No.:

E-mail address:

Fax / No.:

To

Authorised Representative]

**Sub: Bid for Supply of Power to Procurers**

Dear Sir,

We, the undersigned Bidder having read and examined in detail the RfP for supply of power on long term basis from Prayagraj Thermal Power Project located at Tehsil Bara, District Allahabad, Uttar Pradesh, hereby submit our Bid comprising of Financial Bid and Non-Financial Bid.

1) Bid Bond

We have enclosed a Bid Bond of Rs. 60 Crores, in the form of bank guarantee no. \_\_\_\_\_ dated \_\_\_\_\_ as per your proforma (Annexure 5) from a \_\_\_\_\_ (insert name of bank providing Bid Bond] and valid upto \_\_\_\_\_ in terms of Clause 2.12 of the RfP.

2) Acceptance

We hereby unconditionally and irrevocably agree and accept that the decision made by the Authorised Representative or the Procurers regarding any matter regarding or arising out of the RfP shall be binding on us. We hereby expressly waive any and all claims in respect of Bid process.

### 3) Familiarity with Relevant Indian Laws & Regulations

We confirm that we have studied the provisions of relevant Indian laws and regulations as required to enable us to quote for this Bid and execute the SPA, if awarded. We further undertake and agree that all such factors as mentioned in Clause 2.7.2 of RfP have been fully examined and considered while submitting the Bid.

### 4) Contact Person

Details of contact person as required under Clause 2.15.2 furnished as under:

Name  
Designation  
Company  
Address  
Phone Nos.  
Fax Nos.  
E-mail address

We are enclosing herewith Envelope I and Envelope II containing duly signed formats each one duly sealed separately, in 1 original + 2 copies (duly attested) as desired by you in your RfP for your consideration.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ of 20

Thanking you,  
We remain,

Yours faithfully,

Name and Signature of Authorised Person in whose name Power of Attorney/Board Resolution as per Clause 2.7.1.1 is issued

## **ANNEXURE 10**

### **Formats of Power of Attorney**

**(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution. The foreign Bidder to follow the applicable law in their country)**

#### **Format 1**

#### **Power of Attorney to be provided by the Bidding Company/Lead Member in favour of its representative**

Know all men by these presents, We.....(name and address of the registered office) do hereby constitute, appoint and authorise Mr. / Ms.....(name and residential address) as our true and lawful attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to submission of our Bid for the Project in response to the Request For Proposal dated 5<sup>th</sup> November 2008 issued by Prayagraj Power Generation Company Limited ('RfP'), including signing and submission of the Bid and all documents specified in the RfP, including, undertakings, letters, certificates, acceptances, clarifications, guarantees, etc, making representations to the Authorised Representative or the Procurers named in the RfP, and providing information / responses to the Authorised Representative or the Procurers named in the RfP, representing us in all matters before the Authorised Representative or the Procurer named in the RfP, and generally dealing with the Authorised Representative or the Procurers named in the RfP in all matters in connection with our Bid for the said Project.

We hereby agree to ratify all acts, deeds and things done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

All the terms used herein but not defined shall have the meaning ascribed to such terms under the RfP.

Signed by the within named  
\_\_\_\_\_ [Insert the name of the executant]  
through the hand of  
Mr . \_\_\_\_\_  
duly authorised signatory

Dated this \_\_\_\_ day of 2008

Accepted

Signature of Attorney  
(Name, designation and address of the Attorney)

Attested

(signature of Executant)  
(Name, designation and Address  
of the Executant)

Signature and stamp of  
Notary of the place of execution

Note:

1. 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 the same should be under common seal of the executant affixed in accordance with the applicable procedure. Further, the person whose signatures are to be provided on the Power of Attorney shall be duly authorised by the executant(s) in this regard.

**Format 2: Power of Attorney to be provided by each of the other members of the Consortium in favour of the Lead Member**

WHEREAS Prayagraj Power Generation Company Limited have issued Request For Qualification on 12<sup>th</sup> August 2008 and 5<sup>th</sup> November 2008 and Request For Proposal dated \_\_\_\_ ('RfP') for inviting the bids in respect of setting up of power station at ..... Tehsil Bara, District Allahabad, Uttar Pradesh, India and supply of power there from to the Procurer named in the RfP on the terms and contained in the RfP and the RfP Project Documents (as defined in RfP);

AND WHEREAS \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ [Insert names of all members of Consortium] the members of the Consortium are desirous of submitting Bid in response to the RfP, and if selected, undertaking the project as per the terms of RfP and RfP Project Documents;

AND WHEREAS all the members of the Consortium have agreed under the Joint Deed Agreement dated \_\_\_\_ entered into between all the members and submitted to [Insert name of Authorised Representative] in response to the RfQ, to appoint \_\_\_\_\_ [Insert the name] as Lead Member to represent all the other members of the Consortium for all matters regarding the RfP and the Bid;

AND WHEREAS pursuant to the terms of the RfP, we hereby designate M/s \_\_\_\_\_ (insert name of the Lead Member) as the Lead Member to represent us in all matters regarding the Bid and the RfP, in the manner stated below: -

Know all men by these presents, We..... (name and address of the registered office) do hereby constitute, appoint and authorise .....[name and registered office address of the Lead Member], which is one of the members of the Consortium, to act as the Lead Member and our true and lawful attorney, to do in our name and on our

behalf, all such acts, deeds and things necessary in connection with or incidental to submission of Consortium's Bid for the Project in response to the Request For Proposal dated \_\_\_\_\_ issued by [Insert name of Authorised Representative] ('RfP'), including signing and submission of the Bid and all documents specified in the RfP, including, undertakings, letters, certificates, acceptances, clarifications, guarantees, etc, making representations to the Authorised Representative or the Procurers named in the RfP, and providing information / responses to the Authorised Representative or the Procurers named in the RfP, representing us and the Consortium in all matters before the Authorised Representative or the Procurers named in the RfP, and generally dealing with PPGCL named in the RfP in all matters in connection with our Bid for the said Project, till completion of the bidding process in accordance with the RfP and signing of Share Purchase Agreement.

We hereby agree to ratify all acts, deeds and things done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

All the terms used herein but not defined shall have the meaning ascribed to such terms under the RfP.

Signed by the within named

\_\_\_\_\_ [Insert the name of the executant]

through the hand of

Mr . \_\_\_\_\_

duly authorised signatory

Dated this \_\_\_\_ day of 2008

Accepted

Signature of Attorney

(Name, designation and address of the Attorney)

Attested

(signature of Executant)

(Name, designation and Address  
of the Executant)

Signature and stamp of

Notary of the place of execution

Note:

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 the same should be under common seal of the executant affixed in accordance with the applicable procedure. Further, the person whose signatures are to be provided on the Power of Attorney shall be duly authorised by the executant(s) in this regard.

## ANNEXURE 10A

### Format of Undertaking

**[On the Letter Head of the Parent /Affiliates/Ultimate Parent]**

Name:  
Full Address:  
Telephone No.:  
E-mail address:  
Fax / No.:

To

[The Procurer/Authorised Representative]

\_\_\_\_\_  
\_\_\_\_\_

[Insert Name of Procurer/Authorised Representative]

Sub: Undertaking for equity investment

Dear Sir,

We refer to the Request For Qualification [Insert date] ('RfQ') and Request For Proposal dated \_\_\_\_\_, ('RfP') issued by you regarding setting up of Project at [.....] for supply of electrical output there from on long term basis.

We have carefully read and examined in detail the RfQ and the RfP, including in particular, Clause 3.3.4 of the RfQ and Clause 2.7.1.1 of the RfP, regarding submission of an undertaking regarding the investment in the equity share capital of the [insert name of the Seller]. We have also noted the amount of the equity investment required in the Seller for the Project by the [Insert the name of the Bidder or the Consortium Member] for the Project.

In view of the above, we hereby undertake to you and confirm that in the event of failure of [Insert the name of the Bidder or the Consortium Member] to invest in full or in part, in the equity share capital of the Seller as specified in the RfQ and/or RfP [and/or the Joint Deed Agreement to the extent applicable]\*\*\*, we shall invest the said amount not invested by [Insert the name of the Bidder or the Consortium Member] in the proposed Special Purpose Vehicle to be formed for the Project.

We have attached hereto certified true copy of the Board Resolution whereby the Board of Directors of our Company has approved issue of this Undertaking by the Company.

All the terms used herein but not defined, shall have the meaning as ascribed to the said terms under the RfP.

Signature and Name of the Authorised representative of the Company  
Company rubber stamp/seal

**\*\*\* The language in [] may be added in case of Lead Member in a Bidding Consortium**

## ANNEXURE 11

### Format for Performance Guarantee

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution. Foreign entities submitting Bids are required to follow the applicable law in their country)

In consideration of the [Insert name of the Selected Bidder or Selected Bidder on behalf of the Seller] agreeing to undertake the obligations under the PPA dated \_\_\_\_\_ and other RfP Project Documents, regarding setting up the Power Station of the capacity of ..... MW, at .....Tehsil Bara, District Allahabad, Uttar Pradesh for supply of power there from on long term basis, the \_\_\_\_\_ [insert name of bank] hereby agrees unequivocally, irrevocably and unconditionally to pay to [Insert Name of the Procurer] at [insert the Place from the address of the respective Procurer indicated in PPA] forthwith on demand in writing from [Name of the Procurer] or any Officer authorised by it in this behalf, any amount upto and not exceeding Rupees \_\_\_\_\_ only [Insert the amount of the bank guarantee in respect of the respective Procurer as per the terms of PPA], on behalf of M/s. \_\_\_\_\_ [Insert name of the Seller or the Selected Bidder on behalf of the Seller].

This guarantee shall be valid and binding on this Bank up to and including \_\_\_\_\_ and shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only). Our Guarantee shall remain in force until \_\_\_\_\_. The Procurer shall be entitled to invoke this Guarantee till \_\_\_\_\_ [Insert date which is 30 days after the date in the preceding sentence].

The Guarantor Bank hereby agrees and acknowledges that the Procurer shall have a right to invoke this BANK GUARANTEE in part or in full, as it may deem fit.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand by the Procurer, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the Procurer.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by Procurer/Authorised Representative and [Insert name of the Selected Bidder] and/or any other person. The Guarantor Bank shall not require the Procurer to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the Procurer in respect of any payment made hereunder

This BANK GUARANTEE shall be interpreted in accordance with the laws of India.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the Procurer shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Prayagraj Power Generation Company Limited or the Selected Bidder, to make any claim against or any demand on Prayagraj Power Generation Company Limited or the Selected Bidder or to give any notice to Prayagraj Power Generation Company Limited or the Selected Bidder or to enforce any security held by the Procurer or to exercise, levy or enforce any distress, diligence or other process against [Insert name of Seller] or the Selected Bidder.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the Procurer and may be assigned, in whole or in part, (whether

absolutely or by way of security) by Procurer to any entity to whom the Procurer is entitled to assign its rights and obligations under the PPA.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only) and it shall remain in force until \_\_\_\_\_ [Date to be inserted on the basis of Article 3.1.1 of PPA] with an additional claim period of thirty (30) days thereafter . We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the Procurer serves upon us a written claim or demand.

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Power of Attorney No. \_\_\_\_\_

For  
\_\_\_\_\_ [Insert Name of the Bank] \_\_\_\_\_

Banker's Stamp and Full Address  
Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

Note: The Performance Guarantee may be submitted by the Bidder on behalf of the Project Company or the Seller

## **ANNEXURE 12**

### List of Banks

#### **All Nationalised Banks and State Bank of India**

## **ANNEXURE 13**

### **Illustration of the Bid Evaluation/Computation of Levelling Tariff**

**Provided separately in CD**

## ANNEXURE 14

### Illustration for Applicable Board Resolutions Requirements under 2.7.1.1

<b>Investor in the Seller</b>	<b>Entities (other than Bidder) whose credentials (financial and/or technical) used by the Bidder for meeting RfQ criteria</b>	<b>Applicable Board Resolutions</b>	<b>Requirement of Undertaking (Annexure 10A)</b>
Bidder himself for 100% equity	None	a) Format 1 of Annexure 8 – Resolution* 1 and 4 from the Bidder	No
Bidder himself for 100% equity	Affiliate and/or Parent and/or Ultimate Parent	a) Format 1 of Annexure 8 – Resolution* 1 and 4 from the Bidder b) Format 2 of Annexure 8 by either Parent/Affiliate(s) whose credentials have been used, or Ultimate Parent. Provided, if the Bidder himself is the Ultimate Parent, then Format 2 need not be provided.	Yes, by either Parent/Affiliate(s) whose credentials have been used, or Ultimate Parent. Provided, if the Bidder himself is the Ultimate Parent, then the undertaking need not be provided
Bidder himself + others (Affiliate and/or Parent and/or Ultimate	None	a) Format 1 of Annexure 8 – Resolution* 1, 3 and 4 from the Bidder.	None

Parent) in aggregate holding 100% equity		b) Format 1 of Annexure 8 – Resolution* 1 from the Affiliate and/or Parent and/or Ultimate Parent investing in the equity	
Bidder himself + others (Affiliate and/or Parent and/or Ultimate Parent) in aggregate holding 100% equity	Affiliate and/or Parent and/or Ultimate Parent	a) Format 1 of Annexure 8 – Resolution* 1, 3 and 4 from the Bidder. b) Format 1 of Annexure 8 – Resolution* 1 from the Affiliate and/or Parent and/or Ultimate Parent investing in the equity c) Format 2 of Annexure 8 by either Parent/ Affiliate(s) whose credentials have been used, Ultimate Parent	Yes, by either Parent/ Affiliate(s) whose credentials have been used, or Ultimate Parent

**\*Note:**

1. Resolution No. 1 - the second para of the Format No 1, Annexure 8 starting with "RESOLVED THAT pursuant to the provisions"
2. Resolution No. 3 - the third para (immediately below the note) of the Format No 1, Annexure 8 starting with "RESOLVED THAT the Board hereby acknowledges"
3. Resolution No. 4 – the fourth para of the Format No 1, Annexure 8 starting with "FURTHER RESOLVED THAT"
4. Wherever, the Resolution No. 3 is required to be submitted, it should be supported by a separate resolution for investment in equity by the concerned entity in the format as per Resolution No. 1.

## ANNEXURE 15

### FORMAT OF DISCLOSURE

**[On the letter head of Bidding Company/Each Member in a Bidding Consortium]**

To,  
 Chief Engineer (Project)  
 Prayagraj Power Generation Company Ltd  
 3rd Floor, Shakti Bhawan Extension,  
 14-Ashok Marg, Lucknow 226001  
 Uttar Pradesh, India

#### Disclosure

We hereby declare that the following companies with which we/ have direct or indirect relationship are also separately participating in this Bid process as per following details

S.No.	Name of the Company	Relationship
1.		
2.		
3.		

In case there is no such company in the column "name of the company" write "Nil"

Further we confirm that we don't have any Conflict of Interest with any other company participating in this bid process.

Signature of Chief Executive Officer/Managing Director

1. The above disclosure should be signed and certified as true by the Chief Executive Officer/Managing Director being full time Director Bidding Company or Member, in case of a Consortium.
2. In case MD/ CEO is not capable of signing above disclosure, it shall be signed by a person authorized by the Board of Directors of the Bidding Company or of the Member, in case of a Consortium.

## ANNEXURE 16

### Calculation of GCV and Coal Pricing

Mean GCV's as per Analysis Report of NCL	
<b>Jayant Opencast Project</b>	
Seam	Mean GCV
Turra	4545
Purewa Bottom	4288
Purewa Top	3725
Average GCV of Coal from Jayant	<b>4186</b>
<b>Dudhichua Opencast Project</b>	
Seam	Mean GCV
Turra	4511
Purewa Bottom	4203
Purewa Top	3779
Average GCV of Coal from Dudhichua	<b>4164</b>
It is assumed that 50% of coal will be procured from Jayant & Dudhichua expansions each.	
Average GCV of coal	<b>4175</b>

## Estimated Coal Pricing

		NCL Notified Prices Revised on 12/12/ 2007	NCL Notified Prices Revised on 12/12/ 2007
Grade of Coal		Grade D	Grade E
ROM#	ROM	840	670
Sizing		35	35
Loading		18	18
Surface Transport	3 - 10 Kms	40	40
Basic Price		933	763
Royalty	Rs. 70+5%	117	108
Stowing Excise Duty	Rs. 10	10	10
Forest Transit Fee	Rs. 7	7	7
Value for ET		1067	888
Entry Tax	2%	21	18
Value for Sales Tax		1088	906
Sales Tax	4%	44	36
Invoice Value		1132	942

It is assumed that 50% of coal shall be of Grade D & 50% shall be Grade E

Average Price Per Metric Tonne

1,037

# As per Prices Provided by CIL on their website applicable from 12/12/2007

## **ANNEXURE 17**

### **UPERC Orders on the Approval of RFP Documents**

Following UPERC Orders will be provided separately (also available on UPERC/ UPPCL website)

- UPERC Order dated 24.1.2008 (passed in Petition No. 503/07)
- UPERC Order dated 26.2.2008 (passed in Petition No. 521/08)
- UPERC Order dated 24.3.2008 (passed in Petition No. 524/08)
- UPERC Order dated 22.9.2008 and 13.10.2008 (passed in Petition No. 560/08)
- UPERC Order dated 4.11.2008 (passed in Petition No. 568/08)

## ANNEXURE 18

### Illustration for Calculation of Incentives to be Provided

#### ANNEXURE-18A

#### Illustration Sheet for Proposed New Incentive

Scenario: A unit is commissioned 15 months earlier than scheduled COD

Per month energy generation from 660 MW unit assuming 90% share and 7.5% auxillary cosumption

$E=660 \times 0.90 \times 0.925 \times 24 \times 30 \times 1000$  Units/month

Thus 395604000 units or 395.604 MU

**Take E=395 MU for illustration**

S.N.	Months ahead of scheduled COD	Incentive (paise/unit)	Monthly Energy (MU)	Monthly incentive (Rs million)	(Rs million)
1	1	20	395	79.0	
2	2	20	395	79.0	
3	3	20	395	79.0	
4	4	30	395	118.5	
5	5	40	395	158.0	
6	6	50	395	197.5	
7	7	60	395	237.0	
8	8	70	395	276.5	
9	9	80	395	316.0	
10	10	90	395	355.5	
11	11	100	395	395.0	
12	12	110	395	434.5	
13	13	125	395	493.8	
14	14	140	395	553.0	
15	15	155	395	612.3	
				<b>4384.5</b>	

Total incentive (Rs Million) =	4384.5
--------------------------------	--------

Assuming unit cost as Rs 45 million per MW, total cost of a unit of 660 MW (Rs Million)= **29700**  
 % incentive= **14.8**

**ANNEXURE-18B****Illustration Sheet for Proposed New Incentive**

Scenario: A unit is commissioned 10 months earlier than scheduled COD

Per month energy generation from 660 MW unit assuming 90% share and 7.5% auxillary cosumption

$E=660 \times 0.90 \times 0.925 \times 24 \times 30 \times 1000$  Units/month

Thus 395604000 units or 395.604 MU

**Take E=395 MU for illustration**

S.N.	Months ahead of scheduled COD	Incentive (paise/unit)	Monthly Energy (MU)	Monthly incentive (Rs million)
1	1	20	395	79.0
2	2	20	395	79.0
3	3	20	395	79.0
4	4	30	395	118.5
5	5	40	395	158.0
6	6	50	395	197.5
7	7	60	395	237.0
8	8	70	395	276.5
9	9	80	395	316.0
10	10	90	395	355.5
				<b>1896.0</b>

Total incentive (Rs Million) =	1896.0
--------------------------------	--------

Assuming unit cost as Rs 45 million per MW, total cost of a unit of 660 MW (Rs Million)= **29700**  
 % incentive= **6.4**