

Clarifications-1

Clarifications to Request for Qualification Document for shortlisting of Bidders as Transmission Service Provider to establish “Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B)” through tariff based competitive bidding process.

SI No.	Clause Reference	Clarifications sought by Bidders	Response
1.	2.1.2	<p>The Clause states that "..... <i>Experience of development of projects (not necessarily in the power sector) in the last five (5) years with aggregate capital expenditure not less than.....</i></p> <p><i>... The capital expenditure discussed above shall be as capitalized and reflected in the audited books of accounts of the Technically Evaluated Entity."</i></p> <p>As the requirement is that the required capital expenditure has to be reflected in the "<i>audited books of accounts</i>", we understand that "<i>last five (5) years</i>" refers to last five financial years and not last five year period from "<i>bid submission date</i>". Please confirm whether this understanding is correct.</p>	<p>The RfQ prescribes as follows in this regard: <i>".....For this purpose, capital expenditure incurred on projects that have been commissioned/completed at least 7 days prior to the last date for submission of Response to RFQ shall be considered..."</i></p> <p>It is clarified that as per the provisions of RFQ document, the projects completed/commissioned in last five (5) years from the day 7 days prior to the last date for submission of Response to RfQ shall be considered for fulfilment of technical requirements, provided other conditions mentioned in Clause 2.1.2 are fulfilled.</p> <p>The expenditure of the eligible projects should be reflected in the audited books of accounts of the Technically Evaluated Entity.</p> <p>For the projects completed in the current financial year for which annual audited accounts are not available, the Bidder shall submit the Audited Special Accounts showing the capital expenditure in the Audited Special Accounts.</p>

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2.	2.1.2	<p>The second paragraph of the clause states that "<i>.....Further, the Technically Evaluated Entity must have either executed such projects itself or must own at least 26% of the shareholding in the company that has executed the project(s)</i> "</p> <p>We also understand that this particular part was earlier read as "<i>....For this purpose, capital expenditure..... Further, the Technically Evaluated Entity must have either executed such projects itself or must own directly at least 26% of the shareholding in the company that has executed the project(s)</i> "</p> <p>Subsequently, the word "directly" was removed vide Notification dated 1st February 2010.</p> <p>With reference to the above-mentioned modification, our understanding is that if Company A holds 60% stake in Company B and Company B owns 50% in a company C, which is a Project SPV owning and executing the eligible project, then Company A can be considered for being Technically Evaluated Entity with indirect ownership of Company C of 30% (60% of 50%). Please confirm whether the understanding-is correct.</p>	<p>It is clarified that based on the given illustration, Company A can consider the project development experience of Company C for meeting its technical requirements provided that the said percentage of equity is held by Company A in Company B and Company B in Company C from the date of financial closure to the date of Commissioning/ completion of the eligible project.</p>
3.	2.1.2 and subsequent formats	<p>It is requested to clarify if documentary evidence as required by formats under said RfQ can be certified by 'Executive Director' of the bidding company in case when bidding company doesn't have designated 'whole-time director' position.</p>	<p>It is clarified that in case when bidding company doesn't have designated 'whole-time director' position, the documentary evidence as required by formats under the RfQ can be certified by Executive Director for the bidding company, provided, the Executive Director meets the criteria of whole-time director as defined in the Companies Act, 2013 and the same</p>

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			<p>should be certified by the Company Secretary.</p> <p>Alternatively, the RfQ can be certified 'Manager' of the company. However, in such case the company should confirm through a copy of Board Resolution attested by Company Secretary that the concerned person is appointed as Manager as defined under the Companies Act, 1956 or any statutory modifications or replacement or amendment thereof for the purpose in question. Further, the Company Secretary should also certify that the Company does not have a whole-time director.</p>
4	Clause 2.2.3	<p>In our case, the Bidding company is a newly formed subsidiary. This company would be using the technical and financial capability of its Parent and its Affiliates for meeting the Qualification requirements (also for meeting net worth requirements as indicated in clause no.2.2.3 and 2.1.4). In such a case, as qualification and net-worth requirements are being met by the Parent / affiliates, it is not necessary for the bidding company to submit the audited annual accounts for the last 3 financial years. Also, as the bidding company is new, there are no financial statements available for the past years.</p>	<p>Annual Audited Accounts need to be submitted for 3 years preceding the year in which last date of submission of the response to the RFQ occurs, for all such entities whose credentials are being used to meet the financial Qualification Requirement.</p>
5.	Formats 4.7A and 4.7B	<p>The Statutory Auditor's policy doesn't allow them to affix their company stamp on letters provided by the Client's Management. Hence, they insist that they would affix a stamp stating "Signed for Identification Purpose" along with the Partner's Signature.</p>	<p>Provisions of bid document shall prevail.</p>

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		<p>They will of course be providing properly certified computation of Networth and Technical Qualification which will be attached to 4.7A and 4.7B as required in the RFQ.</p> <p>Is it fine with the BPS if Formats 4.7A and 4.7B are stamped "Signed for Identification Purpose" Stamp by the Auditors along with their signature?</p>	
6.	Format 4.7B	<p>As the format contains capital expenditure of affiliates/ other entities (Project SPVs), the Statutory Auditor of the Bidding Company may have difficulty in signing this format in view of various statutory provisions as he is not responsible for audit of the books of accounts of the affiliates, etc.</p> <p>Therefore, it is requested that the need for signing this format by "Statutory Auditor of the Bidding Company" may be removed. Instead, certificates from Statutory Auditors regarding Shareholding in various affiliates may be sought and further, the Capital expenditure certificates may be sought from Statutory Auditors of respective Affiliates/ SPVs.</p>	Provisions of bid document shall prevail.