

**West Bengal Tea Development
Corporation Ltd.**

Responses to Pre-Bid Queries

in respect of

REQUEST FOR PROPOSAL

for

**Transfer of Tea Gardens under West Bengal
Tea Development Corporation Limited**

19th December 2014

Sl. No.	Query	Response
1.	Request to clarify whether the lease will be for 30+30 years as per page 8 or with successive renewals as per the draft lease deed.	The lease will be granted in the name of the Selected Bidder for a period of 30 years and it is renewable by Land & Land Reforms Department based on its policy prevalent for tea gardens.
2.	Request to clarify whether provision of gratuity with WBTDCL will be paid to the successful bidder so that as and when a worker retires, the successful bidder would be in a position to pay off the workers.	<p>It will be funded through LIC or a similar institution. The gratuity amount provided for in the accounts of 2013-14 based on actuarial valuation (and computed based on the current wage) would be paid by the selected bidders out of the financial bid amount.</p> <p>WBTDCL shall provide the details of the gratuity account (which would be solely created for the purpose) where the same amount would have to be deposited by the selected bidder before the gardens are handed over to them.</p> <p>The total accrued past service gratuity liability as on 31st March 2014 for packet A and packet B gardens were as follows:</p> <p>Packet A: INR 4,50,65,084/- Packet B: INR 1,43,14,787/-</p>
3.	Whether the Plant & Machinery will be transferred by way of a bill after charging VAT and if so at what rate.	WBTDCL will pay VAT on the sale proceeds at applicable rates.
4.	Whether any H.O. Staff of WBTDCL is being transferred and if so please submit details as in the case of Tea Garden Workers	No H.O. staff of WBTDCL would be transferred as part of the transaction.
5.	A list of litigations with synopsis from your empanelled advocates may be given as per Sl. No. 52 so as to enable us to make an independent assessment of the legal implications of the ongoing litigations	Litigation files have already been given for inspection to the bidders in the Data Room. No additional documents in connection with litigations will be provided. Interested bidders may make their independent assessment with regard to the pending litigations.
6.	Value of Stamp Papers required for the following documents: <ul style="list-style-type: none"> • Power of Attorney for single bidder • Bank Guarantee for Bid-security 	Stamp Papers of denomination of Rs. 100/- may be used for preparing the Power of Attorney, if executed in West Bengal. The Bank Guarantee obtained from a bank based in West Bengal, may also be prepared in a stamp paper of denomination of Rs. 100/-. For other states, bidders may independently ascertain the stamp duty payable for such instruments.
7.	Whether this transaction would attract 'Salami' payable by the Selected Bidder.	This will be paid by WBTDCL as clearly specified in Clause 1.2 (x) of the RFP Document.
8.	Who will bear the gratuity liability from 01.04.2014 till the date of transfer?	In addition to the clarification given in Sl.No.2 above in this response, the bidders should take note of the fact that any additional gratuity liability on

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		account of wage and salary revision would also be borne by the selected bidder and WBTDCL would not bear any liability on account of the same.
9.	It is understood from the available document that the retirement age is 58 years. If any employee attains the age of 58 years on the date of transfer then would he be retired immediately?	Refer to Clause 1.2 xiv of the RFP.
10.	<p>As per Para-xii of Project Details on Page-8 of RFP it is stated “<i>All Liabilities, Debt including claims of employees, statutory authorities, Tax Authorities, if any etc. pertaining the Tea Gardens till date of handing over possession shall be borne by WBTDCL and the Selected Bidder shall not be liable for the same</i>”.</p> <p>In response to Pre-Bid Queries Sl. 13, the response is “<i>The provision in the outstanding gratuity of existing employees as on 31st March, 2014 has been made. WBTDCL liability on account of Gratuity payment would be limited to this amount and no other amount. However, after the transfer of Tea Gardens, the employees would be deemed to have been in continuous service and not treated as fresh recruitment.</i>”</p> <p>In view of the above, please explain the modality of payment / transfer of such Gratuity and/or Earned Leave Liability. Please also provide copy of the actuarial valuation for earned leave and gratuity liability in respect of the 3 gardens at Darjeeling.</p>	<p>Earned Leave till 31st March, 2014 has been paid off/ encashed. For the year 2014-15 bidder will have to pay accordingly. Actuarial valuation has been conducted on current wage rate and will be mailed separately to the bidders.</p> <p>Method of payment and total amounts of accrued past service gratuity liability as on 31st March 2014 for packet and packet B gardens have already been provided in Sl. No. 2 in the response above.</p>
11.	<p>There are several Contingent Liabilities acknowledged as per Audited Balance Sheet as on 31st March, 2013; there are several litigations as per List provided in Data Room and there may be future claims against WBTDCL for the period prior to handing over to Selected Bidder.</p> <p>The same is not fully covered in Clauses 7.1 to 7.3 of the BTA. Clause 7.3 should specifically mention that any liability arising out of litigation / claims / proceedings commencing after the transfer date but relating to the period</p>	Any liability arising out of litigation / claims / proceedings commencing after the transfer date but relating to the period prior to the transfer date would be the responsibility of the Selected Bidder.

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	upto the transfer date would be the responsibility of the seller.	
12.	The Selected Bidder shall be granted Lease of 30 years by the Government and WBTDCL shall bear the Salami. Please clarify who shall bear the Stamp Duty of Registration of such Lease.	The Selected Bidder will be required to pay the stamp duty and registration fees for registration of Deed of Lease.
13.	It is stated in PIM that 24.45 Hectares of total grant area of 381.56 Hectares of Pandam Tea Estate has been encroached. Will the new Lease to the Selected Bidder include such encroached land?	The land will be transferred on as-is where-is basis as per the RFP. The lease will be granted by the L&LR department as per applicable procedure.
14.	In Clause 1.4.5 on Page-10 of RFP, the technical capacity of Bidder is given and the same has been amended by Corrigendum Notice No. 1 dated 03.12.2014. The Lead Consortium Member has been defined in the RFP, but the term Significant Consortium Member (SCM) has not been defined and is vague. Please clarify the meaning of SCM as well as the specific reasons for including this concept which is not specific and will not lead to transparency in the process.	Net worth of the Significant Consortium Member (SCM) should be at least 26% of the required Net Worth as defined for each packet. A Consortium Member, other than the Lead Consortium Member, with more than or equal to 26% equity stake (but less than 51% equity stake) in the Bidding Consortium would be referred to as a Significant Consortium Member as has been clearly defined in the Corrigendum Notice 1 dated 3rd December 2014 By allowing the introduction of a Significant Consortium Member, a more competitive bidding is ensured.
15.	The Pre-Bid meeting is on 15.12.2014 and the response to queries is proposed on 19.12.2014. In the event of further clarification to any response to queries what is the modality of providing the same to the bidders?	Please refer to Clause 2.9.1 of the RFP document.
16.	<ul style="list-style-type: none"> Please clarify the legal process by which WBTDCL took over the Gardens as because RFP mentions that it is managing the Gardens. Is it a Lease Holder or is the State Government a Lease Holder on behalf of whom WBTDCL is managing the Gardens? To confirm that compensation claim of erstwhile owners / agent or representative for compensation or any other claim in respect of three Gardens taken over by the State Government / WBTDCL shall be borne by WBTDCL in any event in 	<ul style="list-style-type: none"> The Government of West Bengal in its Land and Land Reforms Department is the owner of all the tea gardens in question and the successful bidder will be granted lease for 30 years by the Land and Land Reforms Department of Government of West Bengal. No changes in the RFP.

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	<p>future and it shall fully indemnify the selected bidder.</p> <ul style="list-style-type: none"> • In the matter of case of Punjab National Bank before DRT-II and allied claims thereof, WBTDCL shall be liable for all liabilities and costs. • The liability of PNB has been taken over by ARCIL. Please inform the status of the petition filed by ARCIL before DRFT or any other forum for stay of the sale of the Rungmook garden. 	<ul style="list-style-type: none"> • In the matter of case of Punjab National Bank, liabilities and costs to be borne by WBTDCL. • Litigation files have already been given for inspection to the bidders in the Data Room. Interested bidders may make their independent assessment with regards to the pending litigations.
17.	<p>In the event the new wage settlement of Darjeeling Gardens is effected after hand over to Selected Bidder, then WBTDCL shall be liable for arrear wages from April, 2014 till the month of hand over. How will this liability be covered in the BTA?</p>	<p>Arrear wage in terms of new wage settlement will have to be borne by the Selected Bidder.</p>
18.	<p>For Rungmook/Cedar Tea Estate in response to Query Sl No. 10 of Pre-Bid Queries dated 3rd December 2014, it is stated that due to high labor cost ratio of garden, WBTDCL has not considered Badli system for the last 3 years. Please confirm if there is any liability / legal claim which may arise for not implementing the badli system.</p>	<p>As on date there is no legal claim or liability.</p>
19.	<p>The Selected Bidder after taking over the Gardens will have to obtain various statutory permissions /Licenses, and each agency shall ask for all past dues to be cleared prior to issue of fresh License/Registration to the Selected Bidder. What mechanism WBTDCL proposes to overcome this hurdle and ensure that there are no disputes / outstanding claims of any Government Authority relating to the period till the transfer date?</p>	<p>WBTDCL will on a "no recourse" basis assist the Selected Bidder in obtaining requisite permissions and clearances, if any required.</p>
20.	<p>Request for additional data to be provided:</p> <ul style="list-style-type: none"> • Service record of workers including particulars of date of appointment, date of birth etc. 	<ul style="list-style-type: none"> • Service record of workers of the tea gardens including particulars of date of appointment, date of birth etc. has already been shared with the bidders. If any bidder has not received the same, they may immediately get in touch with WBTDCL officials as specified in the RFP.

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	<ul style="list-style-type: none"> • List of Current Assets of the 3 Gardens specifically including Stores item, Finished Goods, WIP, Stock and Advances to statutory authorities or otherwise which would be taken over by the Selected Bidders • Data about task and Garden timing for different workers. • Survey Map of the tea gardens. • When anyone retires or dies, then is there any requirement of appointing a member of the family? How many relatives have to be appointed in each garden? • What is number of pending appointments? • Please provide details of the last wage agreement. Please share a copy of it. What are the various benefits workers are entitled to? • Data regarding source of Electricity in each Garden. • Queries relating to DTA dues. 	<ul style="list-style-type: none"> • List of current asset along with inventory will have to be ascertained at the time of handover on as-is where-is basis. Value of the current assets have been provided as on 31st March, 2014. No advance to statutory authorities would be taken over by the Selected Bidder. • Data have already been given to the bidders in the Data Room to the extent possible. The district norm is followed in all the gardens. • Data have already been given to the bidders in the Data Room. For Rangmookh Cedars, the contour map has been provided. • The prevailing practice in the industry is followed, except for Rangmookh Cedars for which it has been clearly mentioned in Sl. No. 10 in the response to the pre-bid query dated 3rd December, 2014. • There are no fresh pending appointments. • Standard industry norm is followed. • Pandam, Rangaroon, Mohua and Hilla are connected through direct grid lines from WBSEDCL. Rangmookh Cedar draws its power from a mini-hydel power project, which is supplemented by Diesel Generator sets. • The liability of WBTDCL regarding DTA dues as on 30th September, 2014 is INR 14,45,665/- (Rupees Fourteen Lakhs Forty Five Thousand Six Hundred and Sixty Five only).
21.	Sectional details (Garden wise), Year of Planting, Spacing & 5 Years prune cycle. (Mohua and Hilla)	Data have already been given for inspection to the bidders in the Data Room.
22.	For the last three years, garden wise data for the following:	Data have already been given for inspection to the bidders in the Data Room.

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	<ul style="list-style-type: none"> • Per Hectare garden cost on Salary/Wages, Stores etc. • Per Hectare garden cost on Head Office Expenses • Last three years grade percentage with quantity and grade wise price average. 	
23.	Status of Various Licenses such as Factory License, Pollution Control Board clearance and other Licenses.	Data have already been given to the bidders in the Data Room.
24.	Please share the details of irrigation sets and is there any scope of installing new sets? Govt. installed two Pump Houses, one in Hilla and the 2 nd in Mohua.	It has been presumed to have been ascertained by the bidders during garden visit.
25.	Please share the grade wise distribution of staff and sub staff.	Data have already been given for inspection to the bidders in the Data Room.
26.	Please share the details of fixed mandays with nature of work done.	It has been presumed to have been ascertained by the bidders from the garden records during garden visit.
27.	Please share the data of production and sales of Tea, garden wise, for the last 10 years.	Data have already been given to the bidders in the Data Room.
28.	What is the average sales realization of the crop (grade wise & for each garden) for the last 5 years?	Data have already been given to the bidders in the Data Room.
29.	<i>According to the news published in the news paper The UttarbangaSambad published on 10.12.14 "the workers are started their movements against the transfer of the Tea Garden to the private owners, they are claiming the land for agriculture purpose within the tea garden area in Mohua. Now who will be responsible for the unfavorable situations after the transfer?</i>	WBTDCL cannot take notice of the newspaper reporting. Hence, no changes in the RFP have been contemplated.
30.	Last 3 years Balance sheet for both the gardens.	Data have already been given to the bidders in the Data Room.
31.	What is the reason for non-renewal of the Lease of the gardens which has got expired and applied for renewal? Specify if it is on technical grounds or any other reason	Not relevant for the transaction as fresh lease is to be issued.
32.	If the license for the lead member has expired and application for renewal/a fresh lease has been made, will it be eligible for evaluation in the bid process?	Please refer to Clause 1.4.5 of the RFP document. Decision with regard to technical capacity of the bidder will be taken by WBTDCL in terms of the RFP.
33.	Whether an entity different from the one that procured the bid document can bid	No. A different entity cannot take part in the bidding process (even though it may have the same

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	for the process? (the new entity and the one that procured the bid document have the same directors in their respective board)	directors on the board). The RFP is non-transferable according to Clause 2.1 (xii)
34.	Specific Clause in the Lease Deed needs to be revalidated regarding arrear rent	Arrear rent, if applicable, will be paid by WBTDCL till the date of transfer.
35.	Can there be a provision of retention of money for any unforeseen liabilities?	No retention would be allowed for any unforeseen liabilities
36.	What is the basis of Actuarial Valuation for gratuity?	Actuarial Valuation has been done on the basis of current wages.
37.	Will the benefits of the irrigation sources (Government Schemes) be available before or after handover (for Packet B)?	Scheme is being implemented by PHE Department irrespective of the status of ownership (public or private). However, the bidders have to independently ascertain regarding the benefits.
38.	Will the "Sajaldhara" benefits available to the bidder after handover (for Packet B)?	Scheme is being implemented by PHE Department irrespective of the status of ownership (public or private). However, the bidders have to independently ascertain regarding the benefits.
39.	Who will bear the electricity cost to the labor after handover?	WBTDCL does not provide electricity to the labor force residing in the gardens. Entire cost towards electricity is borne by the labor.
40.	Bonus for the year 2014-15 to be paid in October 2015. Will this be based on the new wage? Will this amount reimbursed by WBTDCL?	The amount will not be reimbursed by WBTDCL. Payment of all bonuses would be the responsibility of the selected bidder.
41.	Is there any reserve price? If so, what is the amount?	Yes there is a Reserve Price. To be ascertained in terms of Clause 3.3.5 of the RFP document.
42.	Is there any segregation available for the bid amount (for the bidder's accounting purpose)?	No segregation is available for the bid amount.