



Odisha Electricity Regulatory Commission

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NOTICE

FOR SELECTION OF PURCHASER FOR THE CENTRAL ELECTRICITY SUPPLY UTILITY (CESU) COVERING THE DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY IN THE ELECTRICAL CIRCLES OF BHUBANESWAR, CUTTACK, PARADEEP AND DHENKANAL IN THE STATE OF ODISHA UNDER SECTION 20 OF THE ELECTRICITY ACT, 2003.

This is to inform that the last date for the sale of the RFP document has been extended till **8th December, 2017 (till 5 PM IST)**. The Interested parties are also advised to visit www.orierc.org to get the details of the Qualification Requirements.

The revised RFP documents will be provided to the bidders who have already purchased the RFP document by **27th November, 2017** to their authorised representative through email. The last date of submission of Bids will be four months from the last date of sale of RFP document i.e. **9th April, 2018 (till 5 PM IST)**.

OERC reserves the right to annul this Bid process at any time, if considers necessary to do so, without giving any reasons thereof.

This announcement is neither a prospectus nor an offer for sale to the public of shares, securities or debentures. The issue of this advertisement does not constitute a commitment by OERC, CESU, or State Govt. or any other related entity/person to enter into any agreement with any entity/person.

**SECRETARY
ODISHA ELECTRICITY REGULATORY COMMISSION**

Brief Description of the Qualification Requirements

This document presents a brief description of the Qualification Requirement for general information only. The Bidders are requested to purchase the RFP documents as per the details provided in the Notice Inviting Bids (NIB) and Subsequent Notices to satisfy themselves with respect to all the required information, inputs, conditions and circumstances and factors that may have any effect on its Bid. The OERC also accepts no liability of any nature whether resulting from negligence or otherwise, howsoever caused arising from reliance of any Applicant upon the statements contained in this Notice.

General

- The Bidder should be a company duly incorporated under the relevant laws (Bidding Company) or a Consortium of companies (Bidding Consortium), with one of the companies acting as the Lead Member of the Bidding Consortium.
- No Bidder shall submit more than one Bid in response to this RFP. A Bidder bidding individually or as a Member of a Bidding Consortium (including the Lead Member) shall not be entitled to submit another bid either individually or as a Member of any other Consortium (including the Lead Member), as the case may be. It is further clarified that any of the Parent/ Affiliate of the Bidder / Member in a Bidding Consortium shall not separately participate directly or indirectly in this bidding process. Further, if any Bidder is having a Conflict of Interest with other Bidders participating in the same bidding process, the Bids of all such Bidders shall be rejected.
- Short-listing of Bidder will be based on meeting the Qualification Requirements specified below and as demonstrated by the Bidders' Qualification Documents submitted in Envelope-1. Further, a Bidding Consortium can participate in this bidding process if any Member of the Consortium has purchased this RFP document for the proposed sale of the Utility.

Technical Qualification Requirement to be met by the Bidding Company or any Member of the Bidding Consortium

The Bidder must fulfil the following minimum technical requirements:

- In case of the Bidder being a Bidding Company, prior experience of operating as a distribution licensee or owning and operating power generation projects of cumulative capacity of not less than 1 GW, either on its own or through an Affiliate or Parent ;
- In case of the Bidder being a Bidding Consortium, either the Lead Member, or any Members of the Consortium should possess the prior experience of operating as a distribution licensee or owning and operating power generation projects of cumulative generation capacity of not less than 1 GW on their own, or can meet this requirement either through an Affiliate / Parent;

Note to Bidders: For experience of operating as a distribution licensee, the Bidder must demonstrate their meeting the technical Qualification Requirements by submission of a copy of their distribution license (in case of the licensee operating in India or in case of a foreign distribution licensee, through a copy of the license or any other authorised documentary evidence, to the satisfaction of the OERC), in support of their being a valid licensee as on a date at least fifteen (15) days prior to the Bid Deadline. For experience of owning and operating power generation projects of cumulative capacity of not less than 1 GW the Bidder must demonstrate their meeting the technical Qualification Requirements by submission of true attested copies of relevant

regulatory commission orders or statutory documents or any other authorised documentary evidence (including copies of the commissioning certificate, certificates issued by the appropriate load despatch centres, etc.), to the satisfaction of the OERC, which demonstrates the generation capacity and ownership in the power project, as on a date at least fifteen (15) days prior to the Bid Deadline.

Financial Qualification Requirement to be met by the Bidding Company / Bidding Consortium

The Bidder must fulfil the following minimum financial requirements:

- Net worth should be equal to at least INR 1,200 Crores or equivalent US\$ computed as the Net worth based on unconsolidated audited annual accounts of any of the last three (3) financial years, viz., FY 2016-'17, 2015-'16 and 2014-'15.

Where: Net worth shall mean (Paid-up Equity Share Capital + Reserves) less (Revaluation reserves + Intangible Assets + miscellaneous expenditure not written off & carry forward losses + reserves not available for distribution to equity shareholders).

- Average Net Yearly Cash Accruals equivalent to INR 500 Crores or equivalent US\$, based on unconsolidated audited annual accounts of average of the last three (3) financial years, viz., FY 2016-'17, 2015-'16 and 2014-'15.

Where: Net Yearly Cash Accruals shall mean Profit after Tax + Depreciation & Amortization.

Note to Bidders:

- a) Separate calculation sheets, detailing the computation of Net worth and Average Net Yearly Cash Accruals considered for meeting the Financial Qualification Requirements to be submitted by the Bidder, along with the formats prescribed in the RFP document.
 - b) Audited consolidated annual accounts of the Bidder may be used for the purpose of financial criteria, provided the Bidder has more than fifty percent (50%) equity in each company whose accounts are merged in the audited consolidated accounts and provided further that the financial capability of such companies (of which accounts are being merged in the consolidated accounts) shall not be considered again for the purpose of evaluation of the Qualification Documents. Bidders shall furnish documentary evidence, duly certified by Managing Director / Chief Executive Officer, being a full time director on the Board of the company/ Manager of the company and the Statutory Auditor in support of their financial capability as herein defined.
- In case of a Consortium, the combined Net worth and Average Net Yearly Cash Accruals of those Members, who commit to an equity share of at least twenty six percent (26%) each in such Consortium, will be considered to satisfy the above conditions of eligibility.
 - The Bidder may seek qualification on the basis of technical and financial capability of its Parent and/ or its Affiliate(s) for the purpose of meeting the Qualification Requirements. Authorization for use of such technical or financial capability shall have to be provided from its Parent and/or Affiliate(s) as per the formats prescribed in the RFP document. The technical and financial capability of a particular company, including its Parents and/or Affiliates, shall not be used by more than one Bidder/ Member of a Bidding Consortium/ Bidding Company.

- The determination of the relationship of Parent or Affiliate with the Bidding Company or with the Member of the Bidding Consortium, including the Lead Member, shall be on the date seven (7) days prior to the Bid Deadline. Documentary evidence to establish such relationship shall be furnished by the Bidder along with its Bid as part of Envelope-1.
- If the Technically Evaluated Entity and/or Financially Evaluated Entity is an entity other than the Bidding Company or a Member in a Bidding Consortium, the Bidding Company or Member relying on such Technically Evaluated Entity and/or Financially Evaluated Entity will have to submit a legally binding undertaking supported by a board resolution along with its Technical Bid (viz., Envelope-2) from the Technically Evaluated Entity and/or Financially Evaluated Entity, that all the equity investment obligations of the Bidding Company or the Member of the Consortium shall be deemed to be equity investment obligations of the Technically Evaluated Entity and/or Financially Evaluated Entity, and in the event of any default the same shall be met by such evaluated entity. Moreover, the Bidding Company or the Consortium Member shall have to provide information and documents relating to its relationship with such Technically Evaluated Entity and/or Financially Evaluated Entity, including details about the equity shareholding between them as per the formats prescribed in the RFP document.
- Notwithstanding anything stated above, OERC reserves the right to verify the authenticity of the documents submitted by the Bidder for meeting the Qualification Requirements and may request for any additional information and documents. OERC reserves the right, at its sole discretion, to contact the Bidder's bank and the Appropriate Commission or authority (for entities incorporated outside of India) and verify the Bidder's information and Qualification Documents for the purpose of it meeting the Qualification Requirements.
- The Qualified Bidder will be required to continue to maintain compliance with the Qualification Requirements throughout the bidding process and till the Effective Date. Where the Technically Evaluated and/or the Financially Evaluated Entity is not the Bidding Company or a Member in a Bidding Consortium, as the case may be, the Bidding Company or Member shall continue to be an Affiliate of the Technically Evaluated and/or Financially Evaluated Entity till the execution of the RFP Document. Failure to comply with the aforesaid provisions shall make the Bid liable for rejection at any stage of this Bid process.