

# **Qualification Criteria**

## **For**

### ***Jalgaon Distribution Franchisee***

**Bid Specification No. DF-4/2010-11**

## **Experience and Track Record**

### **A) Experience in handling consumer base**

The Bidder Company must have a minimum of 2 (two) years of experience in serving at least 2 **laks** consumers. A consumer is defined as any entity that acquires goods or services for direct use or ownership as well as for resale or use in production and manufacturing.

OR

### **B) Experience in employee handling**

The Bidder Company should have a minimum 2 (two) years of experience in employing and managing a workforce of more than 500 (Five hundred) employees. For this purpose, the employees should be engaged with the bidder company on a full time basis, whether on the rolls of the company, on contract basis or as advisors.

AND

### **C) Electricity Distribution Sector experience**

The experience and track record to undertake the distribution of electricity and related activities in the Distribution Franchise Area. The bidding company should have minimum 5 (five) experienced personnel with distribution sector experience. Electricity distribution sector experience is defined in clause 5.2.12 of the RFP.

# **Financial Capability Criteria**

## **a) Net worth**

Net worth as on March 31, 2010 should be at least Rs 50 (Rupees Fifty) Crores.

Net worth is defined as Paid up Equity Share Capital plus Equity Share Premium plus General Reserves and other free reserves plus credit balance in profit and loss account less Accumulated losses less intangible assets less Miscellaneous expenditure to the extent not written off.

Intangible assets are identifiable non-monetary assets, without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Net worth excludes statutory reserves and revaluation reserves.

## **b) Cash Accruals**

Average Cash Accruals, (defined as the sum of Profit after Tax plus depreciation) in the last two years (i.e. FY 2008-09 & FY 2009-10), should be at least Rs. 25 (Rupees Twenty Five) Crores.

## **c) Turnover**

Average annual turnover in the last two years (i.e. FY 2008-09 and FY 2009-10) should be at least Rs. 500 (Five hundred) Crores.

Turnover is defined as the gross inflow of cash, receivables or other consideration, including taxes and duties, arising in the course of the ordinary activities of the bidder from the sale of goods or from the rendering of services. Turnover does not include income from dividend, interest, royalty, capital gains, rent provided they do not arise in the course of the ordinary activities of the bidder. Turnover excludes non-recurring income and inters divisional sales. In an agency relationship, the revenue is the amount of commission and not the gross inflow of cash, receivables or other consideration.

## **d) Public Limited Company**

The bidder company should be a public limited company as defined in section 3 of Companies Act 1956

**The Bid must satisfy all the above-mentioned criteria to be qualified for evaluation of Financial Proposal.**

MSEDCL shall use its judgment as regards what constitutes relevant distribution sector experience and such decision shall be final and binding on all parties.

## N.B. Clause 5.2.12

The term distribution sector is understood as the business of operation and maintenance of a Distribution System for supplying electricity to consumers. For the purposes of bid evaluation, experience in any of the following activities of electricity business may generally be considered as distribution sector experience:

- a. Meter reading services.
- b. Billing and Collection services.
- c. Repair and Maintenance of distribution lines, substations, electrical switchgears and facilities.
- d. Construction and erection of distribution lines and facilities.
- e. Experience of using telecommunications services for electricity distribution (e.g. Supervisory Control and Data Acquisition (SCADA), Automated Meter Reading (AMR), Global Positioning System (GPS)).
- f. Experience in manufacturing, operation and maintenance, erection and commissioning of equipment used primarily in electricity distribution and
- g. Other service(s) those are essential for the conveyance of electricity.