

Qualification Criteria for

Aurangabad & Nagpur Distribution Franchisee

Bid Specification No. DF-2/2009-10 & DF-3/2009-10

Experience and Track Record

The Bidding Company shall be evaluated on the following qualification criteria:

The Bidder Company has to qualify for (A) or (B) and (C) criteria as listed below

A) Experience in handling consumer base

The Bidder Company must have a minimum of 2 (two) years of experience in serving at least 2 lakhs 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.

Financial Capability Criteria

a) Net worth

Net worth as on March 31, 2009 should be at least Rs 50 (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 2007-08 & FY 2008-09), should be at least Rs. 25 (Twenty Five) Crores.

c) Turnover

Average annual turnover in the last two years (i.e. FY 2007-08 and FY 2008-09) 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 inter 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.