

Expression of Interest (EOI)

For

Services of a Consultancy Organization

to

**Conduct Study and Advising on Organisational Restructuring of  
MSEB Holding Co. Ltd Group**

MSEB Holding Co. Ltd  
3<sup>rd</sup> Floor, HSBC Bank Building, Fort,  
Mumbai - 400 001

**JUNE, 2021**

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## 1. LETTER OF INVITATION

**MSEB Holding Co. Ltd**  
**3<sup>rd</sup> Floor, HSBC Bank Building,**  
**Hutatma Chowk, M.G. Road, Fort,**  
**Mumbai**

Dated: 11<sup>th</sup> June 2021

Dear Sir/Madam,

MSEB Holding Co. Ltd invites Expression of Interest (EOI) from Indian consulting agencies to Conduct Study and provide Advise on Organisational Restructuring of MSEB Holding Co. Group.

The EOI Document containing the details of qualification criteria, submission requirement, brief objective & scope of work and method of evaluation etc. have been uploaded on portal ([www.msebindia.com](http://www.msebindia.com))

Queries if any may be referred to the CGM (F&A), MSEB Holding Co. Ltd 3<sup>rd</sup> Floor, HSBC Bank Building, Fort, Mumbai, in writing or by sending email to [mseb.review@gmail.com](mailto:mseb.review@gmail.com)

S. No.	Critical Dates	Date	Time
1.	Document Download Start Date	11 <sup>th</sup> June 2021	1000 Hrs
2.	Last Date for EoI Submission	5 <sup>th</sup> July 2021	1700 Hrs

Yours faithfully,

CGM (F&A)  
MSEB Holding Co. Ltd

## **2.0 Background**

As per the Electricity Act 2003, erstwhile MSEB was reorganised on 5<sup>th</sup> June 2005 into four companies namely, MSEB Holding Company Limited (MSEBHCL), Maharashtra State Power Generation Company Limited (MSPGCL), Maharashtra State Electricity Transmission Company Limited (MSETCL) and Maharashtra State Electricity Distribution Company Limited (MSEDCL). These four companies have been registered with Company Registrar as per the Company Act 1956 by filing independent Memorandum of Associations and Articles of Associations for each company. Among these companies, MSEBHCL holds 100% shares. All three subsidiaries have its independent Board of Directors. However, MSEBHCL undertakes the task of appointment of Directors meant for all three subsidiaries. Substantial time period has elapsed after formation of the companies and there is a need to review the Group Structure with the view of enhancing performance, financial position and growth trajectory.

### **3.0 Aims & Objectives:**

Presently, the power distribution business for the entire State barring Mumbai, is managed by MSEDCL, which includes the services of @30Millions consumers comprising Residential(20985925), Commercial(2044054), Industrial(343968), Agriculture(4320000) PWWs(), Power looms() and others along with procurement of power by signing of power purchase agreement with power producers on short term and long term basis, material procurement, recruitment of various personnel, operation and maintenance of various assets, creation of infrastructure, financing management of meter reading, Billing and revenue collection, consumer engagement, filing of tariff petitions etc. As of now, AT&C loss is @19%, consumer satisfaction is not up to the mark, huge gap in Average of Cost supply and revenue realisation, huge arrears, rampant theft, pilferage, rate of revenue realisation in some part of the state is far below the average costs of supply, level of cross subsidisation has become onerous etc. Due to these reasons, the average cost of supply is next to the Karnataka giving a jolt to the industrial development. The rating agencies like ICRA and CARE has ranked MSEDCL as 13<sup>th</sup> among 41 state owned distribution utilities which is not a good sign of performance. In nutshell the management of above services through single entity has become very tough and financially unviable.

Recently, a team appointed by MSEB Holding Company had submitted its report to MSEBHCL regarding Gujarat Power model which was deliberated. On deliberation, it was resolved in the meeting of the Board of MSEB Holding Company Limited held on 06.05.2021 that before going to the division of MSEDCL in to regional companies, a renowned consultant shall be appointed to carry out the studies of

power models of Gujarat State, Madhya Pradesh, Karnataka, Rajasthan, Andhra Pradesh States etc. including the role of their Holding Companies in the affairs of management of the business of Generation, Transmission and Distribution of its subsidiaries.

#### **4.0 Venue & Deadline for submission of proposal**

Proposal, in its complete form in all respects as specified in the EOI, must be submitted to MSEB Holding Co. Ltd at the address specified herein earlier. In exceptional circumstances and at its discretion, MSEB Holding Co. Ltd may extend the deadline for submission of proposals by issuing an amendment to be made available on the MSEB Holding Co. Ltd website, in which case all rights and obligations of MSEB Holding Co. Ltd and the bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.

#### **5.0 Validity of Offer:**

The offer for EOI as per this document shall be valid for a period of six (6) months initially which may be extended further if required by MSEB Holding Co. Ltd.

#### **6.0 TERMS OF REFERENCE**

The detailed terms of reference are enclosed at Annexure-I.

#### **7.0 INSTRUCTIONS TO CONSULTANTS**

##### **7.1** The Expression of Interest is to be submitted in the manner prescribed below:-

All information as detailed below is to be submitted in two hard copies in separately sealed envelopes and one soft copy in CD.

- a) Applicant's Expression of Interest as per Format-1.
- b) Organizational Contact Details as per Format-2.
- c) Experience of the organization as per Format-3.
- d) List of fifty (50) experts/ consultants on payroll as per Format-4.
- e) Financial strength of the company as per Format-5.
- f) Additional information as per Format-6.
- g) Declaration as per Format-7.
- h) Power of Attorney in favour of Authorized Signatory with long and

shortsignatures of Authorized person.

- i) Consultancy organization must have its office in Mumbai.

7.2 EOI Documents have been hosted on the website [www.msebindia.com](http://www.msebindia.com) and may be downloaded from the website.

Amendments, if any, will be published on the above website. Interested bidders are requested to regularly check the website. No separate advertisement will be issued for amendments.

The bidders are expected to examine all instructions, forms, terms and other details in the EOI document carefully. Failure to furnish complete information as mentioned in the EOI document or submission of a proposal not substantially responsive to the EOIdocuments in every respect will be at the Bidder's risk and may result in rejection of the proposal.

## 8. Qualification Criteria:

Following will be the minimum pre-qualification criteria. Each eligible consultant should possess all the following pre-qualification criteria. Responses not meeting the minimum pre-qualification criteria will be rejected and will not be evaluated.

S. No.	Pre-qualification Criteria	Supporting Compliance document
1.	The applicant shall be a firm/ company/ partnership/ proprietorship firm registered under the Indian Companies Act, 1956(Amended in 2013)/ the partnership Act, 1932, LLP Act 2008 and who have their registered offices in India and must have an office in Mumbai.	Copy of Certificate of incorporation and Partnership Deed, if any
2.	The firm should be in the business of providing similar consultancy services for at least 03 years as on 31.03.2021.	Certificate by Company Secretary of the Bidder's organization
3.	The Bidder has to be profitable and should not have incurred loss in any of the last 3 consecutive Financial Years (FY 2017-18, 2018-19 & 2019-20)	Format-5 to be certified & validated by Chartered Accountant (CA) of the bidder's organization

4.	The Bidder should have minimum average annual turnover of Rupees 50 crores in the last 3 consecutive Financial Years(FY 2017-18, 2018-19 & 2019-20) from only consultancy Services rendered in India	CA certified document with name of CA registration number, signature and stamp
5.	The Bidder shall have experience of providing: (i). Three similar completed consultancy services to Central Govt./State Govt./PSUs/ Govt. bodies in India costing not less than Rs. 20 Lakh each or (ii). Two similar completed services costing together not less than Rs.30 Lakh or (iii). One similar completed services costing not less than Rs. 40 Lakh	Copy of Work Order /Contract
6.	The consultancy firm should have at least 50 full timeconsultants on its pay rolls	Certificate by Statutory Auditor or Company Secretary of the Bidder's organization
7.	The firm should not be blacklisted by any Central Govt. / State Govt. / PSU/Govt. Bodies	Certificate signed by the Authorized signatory
8.	PAN No. / GST Registration Certificate / UAM Number	Copy of Certificate to be enclosed.
9.	Preference will be given to agency/organization having prior experience in similar consultancy for any Central / State Govt. / Govt. Autonomous Bodies.	

### **9.0 Evaluation Criteria and Method of Evaluation:**

- a. Screening of EOIs shall be carried out as per eligibility conditions mentioned in this document and based on verification of testimonials submitted.
- b. EOI will be evaluated for short listing inter alia based on their past experience of handling similar type of project, strength of their man power, financial strength of firm and presentation / proposal to the selection committee whose decision will be final. The information needed for presentation, if called, will be given at the discretion of MSEB Holding Co. and its subsidiaries on the request of eligible firms.
- c. Agencies who qualify as per the eligibility conditions will be provided a brief about the project. The agencies may be required to make a presentation, if required, to a selection committee show-casing their proposals.

- d. MSEB Holding Co. Ltd will take up references and reserves the right to pay due heed to the Bidder's performance elsewhere and any past experience from MSEB Holding Co. Ltd or its subsidiaries.
- e. Short listed agencies will be issued Bid Documents and asked to submit their price proposal in a sealed envelope.

**10.0 Response:**

**10.1** Bidders must ensure that their Bid response is submitted as per the prescribed formats. Special comments on the objectives and scope of the service projected in the enquiry may also be submitted along with the offer.

**10.2** The bid document should be physically sent to the address of MSEB Holding Co. as given above.

**11.0 Conflict of Interest:**

**11.1** Where there is any indication that a conflict of interest exists or may arise, it shall be the responsibility of the Bidder to inform MSEB Holding Co. Ltd, detailing the conflict in writing as an attachment to this Bid.

**11.2** MSEB Holding Co. Ltd will be the final arbiter in cases of potential conflicts of interest. Failure to notify MSEB Holding Co. Ltd of any potential conflict of interest will invalidate any verbal or written agreement.

**11.3** A Conflict of Interest is where a person who is involved in the procurement has or may be perceived to have a personal interest in ensuring that a particular Bidder is successful. Actual and potential conflicts of interest must be declared by a person involved in a Bid process.

**12.0 Condition under which EOI is issued:**

The EOI is not an offer and is issued with no commitment. MSEB Holding Co. Ltd reserves the right to withdraw EOI and or vary any part thereof at any stage. MSEB Holding Co. Ltd further reserves the right to disqualify any bidder, should it be so necessary at any stage.

**13.0 Last date of submission of EOI:**

The last date of submission of EOI is 5<sup>th</sup> July 2021

Confirmation of receiving the EOI Documents will be given to the consultants by email.



## 14.0 FORMATS FOR SUBMISSION:

### FORMAT – 1 APPLICANT’S EXPRESSION OF INTEREST

To,  
CGM (F&A),  
MSEB Holding Co. Ltd.  
3<sup>rd</sup> Floor, HSBC Building,  
Hutatma Chowk, M.G. Road, Fort, Mumbai.

Sub: Submission of Expression of Interest to Conduct Study and provide advise on Organisational Restructuring of MSEB Holding Co. Group

Dear

In response to the Invitation for Expressions of Interest (EOI) published at MSEB Holding Co. Ltd website ([www.msebindia.com](http://www.msebindia.com)) for the above purpose, we would like to express interest to carry out the above proposed task. As instructed, we have uploaded Expression of Interest on CPP portal in prescribed format containing following documents:

1. Organizational Details (Format-2)
2. Experience in related fields (Format-3)
3. List of experts / consultants on payroll at least 50 (Format-4)
4. Financial strength of the organization (Format-5)
5. Additional information (Format-6)
6. Declaration (Format-7)

Sincerely  
Yours, Signature of  
the applicant [Full  
name of applicant]  
Stamp.....  
Date:

Note: This is to be furnished on the letter head of the organization.

## FORMAT – 2

S. No	Organizational Contact Details	
1.	Name of Organization	
2.	Main areas of business	
3.	Type of Organization Firm/ Company/partnership firm registered under the Indian Companies Act, 1956 (Amended in 2013)/ the partnership Act,1932 / LLP Act 2008	
4.	Whether the firm has been blacklisted by any Central Govt. / State Govt./PSU/ Govt. Bodies / Autonomous? If yes, details thereof.	
5.	Address of registered office with telephone no. & fax	
6.	Address of offices in i) Mumbai ii) All other State/UT's	
7.	Contact Person with telephone no. & e- mail ID	

Enclose:-

1. Copy of Certificate of Incorporation.
2. Copy of Article of Association in respect of 3 above.
3. Undertaking in respect of 4 above.

Signature of the  
applicant  
Full name of the  
applicant  
Stamp & Date

### FORMAT – 3

Experience in Related Fields					
Overview of the past experience of the Organization in all aspects related to Brand Building related					
S. No	Items	Number of Assignments during last 3 years	Order Value of each assignment in Lakhs of Rs. (Enclose copy of each order)	Mention the name of Client/ Organization (Enclosed completion certificates)	
1	Experience of assignments of similar nature				
1.1	Experience in carrying out similar assignments in Government				
1.2	Experience in carrying out Similar assignments in Public sector.				
<p>Decision of Evaluating Committee in ascertaining “similar nature” and “similar assignment” will be final.</p> <p style="margin-left: 200px;">Signature of the applicant</p> <p style="margin-left: 200px;">Full name of applicant</p> <p style="margin-left: 50px;">Stamp &amp; Date</p>					

**FORMAT – 4**

<b>List of experts/consultants on payroll ( at least 50 )</b>				
S. No	Name	Designation	Qualification	Relevant Experience
1.				
2.				
3.				
4.				
5.				
6.				

Signature of the applicant  
Full name of applicant

Stamp & Date

**FORMAT – 5**

<b>Financial Strength of the Organization</b>					
S. No	Financial Year	Whether profitable Yes/NO	Annual net profit (in Crores of Rs.)	Overall annual turnover (in Crores of Rs.)	Annual turnover from only Consultancy services rendered in India (in Crores of Rs.)
1	2017-18				
2	2018-19				
3	2019-20				
Note: Please enclose auditor's certificate in support of your claim.					

Signature of the applicant

Full name of applicant

Stamp & Date

## FORMAT – 6

Additional Information		
1. List all enclosures related to the previous sections.		
S.NO	Description	No. of pages
2. Additional information to support the eligibility as per Section 7 (Not more than 2 pages).		
Signature of the applicant Full name of applicant		
Stamp & Date		

## FORMAT -7

### Declaration

We hereby confirm that we are interested in competing for the Consultancy Services to Conduct Study and Advising on Organisational Restructuring of MSEB Holding Co. Ltd Group.

All the information provided herewith is genuine and accurate.

Authorized Person's

Signature. Name and

Designation:

Date of Signature:

Note: The declaration is to be furnished on the letter head of the organization.

**Conduct Study and Advising on Organisational Restructuring of  
MSEB Holding Co. Ltd Group  
TERMS OF REFERENCE**

**1. BACKGROUND**

As per the Electricity Act 2003, erstwhile MSEB was reorganised on 5<sup>th</sup> June 2005 into four companies namely, MSEB Holding Company Limited (MSEBHCL), Maharashtra State Power Generation Company Limited (MSPGCL), Maharashtra State Electricity Transmission Company Limited (MSETCL) and Maharashtra State Electricity Distribution Company Limited (MSEDCL). These four companies have been registered with Company Registrar as per the Company Act 1956 by filing independent Memorandum of Associations and Articles of Associations for each company. Among these companies, MSEBHCL holds 100% shares. All three subsidiaries have its independent Board of Directors. However, MSEBHCL undertakes the task of appointment of Directors meant for all three subsidiaries. Substantial time period has elapsed after formation of the companies and there is a need to review the Group Structure with the view of enhancing performance, financial position and growth trajectory.

Presently, the power distribution business for the entire State barring Mumbai, is managed by MSEDCL, which includes the services of @30Millions consumers comprising Residential(20985925), Commercial(2044054), Industrial(343968), Agriculture(4320000) PWWs(), Power looms() and others along with procurement of power by signing of power purchase agreement with power producers on short term and long term basis, material procurement, recruitment of various personnel, operation and maintenance of various assets, creation of infrastructure, financing management of meter reading, Billing and revenue collection, consumer engagement, filing of tariff petitions etc. As of now, AT&C loss is @19%, consumer satisfaction



is not up to the mark, huge gap in Average of Cost supply and revenue realisation, huge arrears, rampant theft, pilferage, rate of revenue realisation in some part of the state is far below the average costs of supply, level of cross subsidisation has become onerous etc. Due to these reasons, the average cost of supply is next to the Karnataka giving a jolt to the industrial development. The rating agencies like ICRA and CARE has ranked MSEDCL as 13<sup>th</sup> among 41 state owned distribution utilities which is not a good sign of performance. In nutshell the management of above services through single entity has become very tough and financially unviable.

Recently, a team appointed by MSEB Holding Company had submitted its report to MSEBHCL regarding Gujarat Power model which was deliberated. On deliberation, it was decided that before going to the division of MSEDCL in to regional companies, a renowned consultant shall be appointed to carry out the studies of power models of Gujarat State, Madhya Pradesh, Karnataka, Rajasthan States etc. including the role of their Holding Companies in the affairs of management of the business of Generation, Transmission and Distribution of its subsidiaries.

## 2. **OBJECTIVES**

### **Proposed Terms of Reference for the appointment of Consultant:**

1. To review the existing structures of the MSEB Holding Company and its subsidiaries along with the comparison of Holding companies and subsidiaries of Gujarat, Madhya Pradesh, Andhra Pradesh, Karnataka, Rajasthan, etc.;
2. To study Control Mechanism of MSEB Holding Companies of Gujarat, Madhya Pradesh, Andhra Pradesh Karnataka, Rajasthan States and comparison with MSEBHCL aimed at strengthening MSEBHCL;
3. To propose staff structure of MSEBHCL in light of new role such as power purchase, fuel management, material procurement, staff recruitment, financial management, revenue management, grid operations at State level, generation of energy from various resources, allocation of funds to its subsidiaries, to act as guarantor, agent, treasurer, etc.;

4. To advise on the profiles of Board of Directors in order to bring experts having excellent knowledge and exposure of Business, Operations, Project Management, Financial Management, Human Resources Management to be brought in the Boards of Holding and Subsidiary Companies.
5. To suggest on the roadmap of division of existing MSEDCL into regional companies along with advantages and disadvantages and the transfer scheme;
6. To propose the structure of the proposed regional companies and its relationship with the MSEBHCL, Government of Maharashtra State etc.;
7. To allocate assets, property, interest in property, rights, liabilities, etc. in the reorganised form.
8. To present study report on the various measures undertaken by Gujarat, Madhya Pradesh, Andhra Pradesh, Karnataka, Rajasthan, etc. and other states in order to reduce the-
  - a. Average cost of supply,
  - b. transmission charges,
  - c. Generation costs,
  - d. AT&C loss,
  - e. Regulatory Assets,
  - f. A&G and O&M expenses,
  - g. Arrears,
  - h. Liabilities,
9. Optimum Manpower set-up including desirable count, skill-sets, growth, objective appraisal mechanism and benchmarking of the same with industry peers
10. Implications and Analysis with reference to proposed amendments in Electricity Act and Policies.

**While carrying out the above task, the consultancy firm would abide by the following :**

- (a) The consulting firm would be required to facilitate a consultative and participatory process with various stakeholders, generate knowledge products to manage capacity building activities.
- (b) This consultancy would periodically require intensive time commitment to prepare and facilitate capacity building events. It will also require a permanent time commitment to ensure that information and communication happens on a continuous basis.

- (c) This being a strategic policy area, it is expected that the selected consulting firm displays a high level of professionalism, integrity commitment and is able to maintain its highly qualified team over the entire project period, unless changes are requested and agreed to by the company.
- (d) During this process, any data, information or document received by any participating parties will be strictly confidential. The same will be used only for the purpose of current process. No reproduction, reference, circulation or sharing of the same, in any form, will be made by the participating agencies without obtaining written permission from MSEBHCL.

### 3. **METHODOLOGY**

This section should demonstrate the Bidder's responsiveness to the specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed warranty; and demonstrating how the proposed methodology meets or exceeds the specifications.

- (2) The operational and technical part of the Proposal should not contain or indicate, directly or indirectly or in any form the pricing information whatsoever on the services offered.
- (3) It is mandatory that the Bidder's Proposal numbering system corresponds with the numbering system used in the body of this EOI. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.
- (4) The information which the Bidder considers proprietary, if any, should be clearly marked "proprietary" next to the relevant part of the test and it will then be treated as such accordingly.

#### 4. **TIME SCHEDULE**

After selection of the consultancy organisation, A draft appraisal report would be submitted within 3 months of the date of signing of agreement. The major findings of the draft report should be shared with the MSEB Holding Co. Ltd. Feedback from the company should be taken into account by the Consultant in the final report in a substantive manner and for the record. The company will be required to provide written response within 30 days of receipt of draft report. The consultant will submit the final report accordingly with the active discussion with management within 4 months of the date of signing of agreement, after taking into account the comments of the company on the draft report. The firm would be required to attend discussion, whenever called called by the company in this regard. Four hard copies along with soft copy of the Final Review Report shall be submitted to MSEB Holding Co. Ltd within a period of four months from the date of signing of agreement.

#### 5. **INPUTS TO BE PROVIDED BY MSEB Holding Co. Ltd**

MSEB Holding Co. Ltd will provide the documents and information of the Group Companies and would facilitate discussions with group officials. The firm should be able to independently study the required details of other state PSUs. From its side, MSEB Holding Co. would also facilitate interaction of consultants with the other Public Sector companies working in Power Sector and Government Departments.

#### 6. **DELIVERABLES**

The Consultant shall submit a detailed report covering the areas mentioned in the Terms of Reference as per the scope of the work.

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