

Section 3: Bid Information and Instructions to Bidders

3.1 Obtaining RfS Document, Cost of documents & Processing Fees

- 3.1.1 The RfS document can be downloaded from the website of <https://www.bharat-electronictender.com>. Interested bidders have to download the official copy of RfS & other documents after logging into <https://www.bharat-electronictender.com> by using the Login ID & Password provided by M/s ISN Electronic Tender Portal during registration (Refer Annexure – D and E).
- 3.1.2 The bidders shall be eligible to submit/ upload the bid document only after logging into the <https://www.bharat-electronictender.com> and downloading the official copy of RfS.
- 3.1.3 Prospective Bidders interested to participate in the bidding process are required to submit their proposals in response to this RfS document along with a non-refundable processing fee as mentioned in the Bid Information Sheet. The bids submitted without cost of the RfS document and/or Processing Fee and/or Bank Guarantee against EMD, shall not be considered for the bidding and such bids shall not be opened by MSEDCL.

3.2 Total Capacity Offered:

1. Total Capacity:

Selection of Grid-connected Solar PV Projects for total capacity of 500 MW will be carried out through e-bidding followed by e-Reverse Auction process.

2. Minimum Capacity of Project:

- i) For Intra State projects - The minimum project capacity shall be 10 MW at single location with minimum bid capacity of 25 MW for projects.
- ii) For Inter State projects - The minimum project capacity shall be 50 MW at single location with minimum bid capacity of 50 MW.

3.3 Project Scope:

The successful bidder shall set up Solar PV Power Project(s) including the transmission network up to the Delivery Point in line with **Section 3.7**, at its own cost (including but not limited to open access charges till the delivery point) and in accordance to the provisions of this RfS document. All approvals, permits and clearances required for setting up of the Project (including connectivity) and those required from State Government and local bodies shall be in the scope of the successful bidder.

However, the selection of Projects would be technology agnostic within PV technology and crystalline silicon or thin film, etc. with or without Trackers can be installed. In order to ensure only quality systems are installed, the Bidders shall strictly comply with the technical parameters detailed in the Annexure –A or as specified by MNRE from time to time whichever is applicable.

The Bidder shall identify 100% land required for the project and submit tentative locations at the time of submission of bid in Format 6.1. The Bidder shall be allowed to change the location of the project once at the time of achievement of Financial Closure i.e. within 9 (nine) months from the date of execution of the Power Purchase Agreement for projects being set up in Solar park, and within 12 (twelve) months from the date of execution of the Power Purchase Agreement, for projects being set up outside Solar park.

3.4 Eligibility for Project capacity allocation:

Following conditions shall be applicable to the Bidders for submission of bids against this RfS:

1. A bidder including its Parent, Affiliate or Ultimate Parent or any Group Company can only submit a single bid, subject to minimum bidding capacity as specified in Clause 3.2.2.
2. Multiple bids from same company including its Parent/ Ultimate Parent / Affiliates /Group Companies shall make all the bids submitted by the group invalid.
3. The evaluation of bids shall be carried out as described in Section 4. The methodology of allocation of projects is elaborated in Section 4.
4. In case the bidder wishes to set up a project at more than one location, then they would need to be physically identifiable with separate boundary wall, separate inter- connection points and metering arrangement.

3.5 Qualification Requirements:

1. Bidder as defined in Section 2 is eligible to participate under this RfS.
2. The Bidding Entity should be incorporated in India under the Companies Act 1956 or Companies Act, 2013, as applicable.
3. A bidder which has been selected as successful Bidder based on this RfS can also execute the Project through a Special Purpose Vehicle (SPV) i.e. a Project company especially incorporated as a fully owned subsidiary Company (100% subsidiary) of the successful bidder for setting up of the Project which has to be registered under the Indian Companies Act, 2013, before signing of PPA. Further, the successful bidder shall ensure that its shareholding in the SPV (special purpose vehicle) / project company executing the PPA shall not fall below 51% (fifty-one per cent) at any time prior to 1 (one) year from the COD, except with the prior approval of MSEDCL.
4. Any consortium, if selected as successful bidder for the purpose of supply of power to MSEDCL, shall incorporate a Project company/ Special Purpose

Vehicle (SPV) with equity participation by the Members in line with consortium agreement (to be submitted along with the response to RfS) before signing of PPA., i.e. the Project Company incorporated shall have the same shareholding pattern at the time of signing of PPA as given at the time of submission of response to RfS. The combined shareholding of the consortium members in the SPV / Project company executing the PPA, shall not fall below 51% at any time prior to 1 (one) years from the COD, except with the prior approval of MSEDCL.

5. Foreign Companies are allowed to participate and foreign companies participating in the bidding process shall be registered as companies as per the rules of their country of origin. A foreign company can also participate on standalone basis or as a member of consortium at the RfS stage. In case of foreign company participating on standalone basis and its selection as successful bidder, it has to form an Indian Company registered under the Companies Act, 2013 as its fully owned subsidiary Company (i.e. 100% subsidiary) before signing of PPA. In case the foreign company participating as a member of consortium, the Clause 3.5.3 shall be applicable.
6. Limited Liability Companies (LLC) shall be eligible. Further, if such Limited Liability Companies are selected as successful Bidders, they will have to register as a Company under the Indian Companies Act, 1956 or Companies Act, 2013, as applicable, before signing of PPA, keeping the original shareholding of LLC unchanged. In such cases, it will also be mandatory on the part of such Limited Liability Companies to either demonstrate or infuse the capital in form of his own equity in line with the requirement stipulated in Clause 3.6 given below. In case LLC fails to incorporate as an Indian company before signing of PPA or unable to demonstrate/ infusion of capital in form of his own equity in to the Company registered in India or not able to sign PPA with MSEDCL, EMD of such Bidders shall be forfeited. Note: Limited Liability Companies (LLC) shall be eligible only for those LLCs which are formed by companies.

3.6 Eligibility Criteria:

1) Net Worth:

- i. The Net-Worth of the Bidder for the financial year ended on 31.03.2020 shall not be less than INR 0.55 Crores per MW (of the capacity quoted). In case of foreign companies the applicable financial year shall be as per the applicable laws of the country of Incorporation.
- ii. Bidders shall have to furnish a Certificate from Chartered Accountants, certifying the Net worth per MW of quoted capacity as on 31st March, 2020 or 31st December 2020 as the case may be, certifying the Net worth per MW of quoted capacity as on 31st March, 2020 or 31st December 2020 as the case may be.
- iii. However, in case the Bidder is a newly formed company, supported by

documentary evidence of its recent formation at ROC or in case the networth of the Bidder is not meeting the criteria as mentioned in above para (i), then the certificate issued by a Chartered Accountant computing net worth based on certified copy of Balance Sheet, Profit & Loss account, Schedules and cash flow statement as on latest available date supported with bank statement shall be required to be submitted.

- iv. For avoidance of doubt, “net worth” as per Section 2 (57) of the Companies Act 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation.
- v. Pursuant to evaluation of Net Worth Criteria as part of technical bid, if it is found by MSEDCL that the Bidder is eligible for lesser quantum than the quantum for which bid has been submitted, then the Bidder shall be qualified for such lesser quantum, provided that such quantum is not less than minimum bid capacity i.e. as specified in Clause 3.2.2.

2) Liquidity:

In order to ascertain that the Bidder has sufficient means to manage the fund requirements for the Project, the Bidder shall be required to demonstrate at least one of the following parameters:

- i. A minimum annual turnover of INR 25 lakhs/MW of the quoted capacity during the previous financial year i.e. FY 2019-20. It is hereby clarified that “Other Income” as indicated in the annual accounts of the Bidder shall not be considered for arriving at the annual turnover.
 - ii. Internal resource generation capability, in the form of Profit Before Depreciation Interest and Taxes (PBDIT) for a minimum amount of INR 10 Lakhs/MW of the quoted capacity, as on the last date of previous financial year, 2019-20.
 - iii. In-principle sanction letter from the lending institutions/banks of the Bidder, committing a Line of Credit for a minimum amount of INR 12.5 Lakhs/MW of the quoted capacity, towards meeting the working capital requirement of the project quoted under this RfS. Such letter can also be obtained by the Affiliate(s) of the Bidder.
- 3) The Bidder may seek qualification on the basis of financial capability of its Affiliate(s) for the purpose of meeting the qualification requirements as per Clause 3.6.1 & 3.6.2 above. In case of the Bidder being a Bidding Consortium, any Member

may seek qualification on the basis of financial capability of its Affiliate(s). In such cases, the Bidder shall be required to submit Board Resolutions from the respective Affiliate(s), undertaking to contribute the required equity funding and performance bank guarantees in case the Bidder(s) fail to do so in accordance with the RfS. In case of non-availability of the Board Resolution as required above, a letter from the CEO/Managing Director of the respective Affiliate(s), undertaking the above, shall be required to be submitted and the requisite Board Resolution from the Affiliate(s) shall be required to be submitted prior to signing of PPA.

- 4) For the purposes of meeting financial requirements, only latest unconsolidated audited annual accounts shall be used. However, audited consolidated annual accounts of the Bidder may be used for the purpose of financial requirements provided the Bidder has at least twenty six percent (26%) equity in each Company whose accounts are merged in the audited consolidated account.
- 5) A Company/ Consortium would be required to submit annual audited accounts for the last financial year, i.e. FY 2019-20 or as on the day at least 7 days prior to the bid submission deadline, along with net worth, annual turnover and PBDIT certificate (as applicable) from a practicing Chartered Accountant/ Statutory Auditor to demonstrate fulfillment of the criteria. In case of foreign companies, the Bidders shall be required to submit the annual audited accounts for the last respective financial year as per the general norm in the country where the Bidder or its Affiliate(s) is/ are located.

Note: In case of foreign Bidders, in the event the Bidder is unable to furnish the audited annual accounts for the previous financial year as per the prevalent norm in the respective country, the Bidder shall submit the annual audited accounts of the last financial year for which the audited accounts are available. This, however, would be acceptable, subject to the condition that the last date of response to this RfS falls on or within the deadline for completion of audit of annual accounts of companies, as stipulated by the laws/rules of the respective country, and the Bidder shall submit the corresponding documentary evidence against the same. In case the annual accounts are submitted in a language other than English, a certified English translation from an approved translator shall be required to be submitted by the Bidder.

- 6) For meeting the above financial eligibility criteria, if the data is provided by the Bidder in a foreign currency, equivalent Indian Rupees of Net Worth and other financial parameters will be calculated by the Bidder using Reserve Bank of India's reference rates prevailing on the date of closing of the accounts for the respective financial year.
- 7) In case of any currency for which RBI reference rate is not available, Bidders shall convert such currency into USD as per the exchange rates certified by their banker prevailing on the relevant date and used for such conversion. After such conversion, Bidder shall follow the procedure/ submit document as elaborated in Clause 6 above.
- 8) In case the response to RfS is submitted by a Consortium, then the financial requirement (both the Net-Worth and Turnover requirements, if applicable) to be

met by each Member of the Consortium shall be computed in proportion to the equity commitment made by each of them in the Project Company.

For example, if two companies A and B form a Consortium with equity participation in 70:30 ratio and submit their bid for a capacity of 100MW, then, total Net-Worth to be met by the Consortium is Rs. 0.55 Crores x 100MW = Rs. 55 Crores. Minimum requirement of Net-Worth to be met by Lead Member A would be minimum Rs. 38.5 Crores and to be met by Consortium Member B would be Rs. 16.5 Crores. Similar methodology shall be followed for computation of turnover and other liquidity requirement.

3.7 Connectivity with the Grid:

1. The project should be designed for delivery of energy at delivery point.
2. The responsibility of getting the grid connectivity with STU i.e MSETCL or CTU shall entirely be of the successful bidder. The successful bidder shall submit documentary evidence for securing connectivity with grid from STU/CTU within 9 (nine) months from the date of execution of the Power Purchase Agreement, for projects being set up in Solar park, and within 12 (twelve) months from the date of execution of the Power Purchase Agreement, for projects being set up outside Solar park.
3. The transmission of power up to the point of interconnection and energy accounting infrastructure shall be the responsibility of the successful bidder at his own cost. The maintenance of Transmission system up to the interconnection point shall be responsibility of the Bidder.
4. The arrangement of connectivity can be made by the successful bidder through a dedicated line or sharing of a line. The dedicated line may be constructed by the successful bidder or through any other agency. The entire cost of transmission including cost of construction of line, maintenance, losses etc. from the project up to the delivery point will be borne by the successful bidder. The arrangement of connectivity can be made through sharing of a line, however sharing of line shall be at the discretion of the bidder provided there is a legally binding agreement between the bidder and the other parties sharing the same line for a period not less than 25 years and the bidder shall indemnify MSEDCL for any loss arising out of failure of such shared line.
5. All expenses including wheeling charges and losses between the Project and the Delivery Point shall be paid by the Successful Bidder without any reimbursement by MSEDCL.
6. The successful bidder shall not be entitled to deemed generation in case of any delay in grant of connectivity. The bidder shall choose the location of the project considering the grid connectivity availability upto financial closure.
7. The successful bidder shall comply CERC/MERC regulations on Forecasting, Scheduling and Deviation Settlement, as applicable and are responsible for all liabilities related to Connectivity.

3.8 Clearances required from the State Government and other local bodies:

The Bidders are required to obtain necessary clearances and permits as required for setting up the Solar Power Projects.

3.9 Earnest Money Deposit (EMD) and Performance Bank Guarantees (PBG):

The Bidder shall provide the following Bank Guarantees to MSEDCL in a phased manner as follows:

- i. **Earnest Money Deposit (EMD) of INR 4 Lakh / MW** in the form of Bank Guarantee along with RfS according to Format 6.3 A and valid for 06 months from the last date of bid submission and shall be submitted by the Bidder along with their bid failing which the bid shall be summarily rejected. The Bank Guarantees towards EMD have to be in the name of Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) by the Bidding Company / Lead Member of Bidding Consortium.

The Bidder shall furnish the Bank Guarantees towards EMD from any of the Banks listed in **Annexure-C** in favour of MSEDCL.

In case of Bank Guarantee issued by foreign branch of Bank from bank list (As given in Annexure C) in the RfS is to be endorsed by the Indian branch of the same Bank or State Bank of India.

- ii. **Performance Bank Guarantee (PBG):**

The Bidders selected by MSEDCL, based on this RfS shall submit the **Performance Bank Guarantee (PBG) of INR 8 Lakh/MW** according to the Format 6.3 B, issued in favor of MSEDCL with a validity period **up to 7 months** from Scheduled Commercial Operation Date, 2 days prior to signing of PPA. The Bidder shall furnish the Performance Bank Guarantees (PBGs) from any of the Banks listed at **Annexure - C** to MSEDCL. In case of Bank Guarantee issued by foreign branch of Bank from bank list (As given in Annexure C) in the RfS is to be endorsed by the Indian branch of the same Bank or State Bank of India.

- iii. The format of the Bank Guarantees prescribed in the Formats 6.3 A (EMD) and 6.3 B (PBG) shall be strictly adhered to and any deviation from the above Formats shall result in rejection of the EMD/PBG and consequently, the bid. In case of deviations in the formats of the Bank Guarantees, the corresponding PPA shall not be signed by MSEDCL.
- iv. The successful bidders are required to sign PPA with the MSEDCL within 30 days after the date of issue of LoA. Subsequent extension in this timeline shall be finalized and agreed by MSEDCL. In case, MSEDCL offers to execute the PPA

with the Selected Bidder and if the Selected Bidder does not submit the requisite documents as per Section 3.11 or does not meet eligibility criteria upon submission of documents or does not execute the PPA within the stipulated time period, then the Bank Guarantee submitted towards EMD shall be forfeited by MSEDCL and the selected Project(s) shall stand cancelled.

- v. If the Successful Bidder fails to achieve Financial Closure as prescribed in Clause 3.13, the MSEDCL shall encash the Performance Bank Guarantee (PBG) unless the delay is on account of delay caused due to a Force Majeure. An extension for the attainment of the financial closure can however be considered by MSEDCL, on the sole request of the Solar Power Generator, on payment of penalty of Rs.10000/- per day per MW (excluding 18% GST. If applicable). This extension will not have any impact on the Scheduled Commissioning Date (SCOD). However such amount of penalty paid so shall be returned to the Solar Power Generator without any interest within a period of 30 days of achievement of successful commissioning provided such commissioning is within the Scheduled Commissioning Date (SCOD).
- vi. The Bank Guarantees have to be executed on non-judicial stamp paper of INR500.
- vii. All expenditure towards execution of Bank Guarantees such as stamp duty etc. shall be borne by the bidder.
- viii. In order to facilitate the Bidders to submit the Bank Guarantee as per the prescribed format and in line with the requirements, checklist at Annexure-B has been attached. Bidders are advised to take note of the above checklist while submitting the Bank Guarantees.
- ix. After the bidding process is over, MSEDCL shall release the Bank Guarantees towards EMD of the unsuccessful Bidders within 15 days after the completion of e-reverse auction. The PBG of the solar power generator / bidder shall be returned within 30 days of successful commissioning of their projects as per Terms of PPA, after taking into account any liquidated damages due to delays in commissioning as per Clause 3.14 of RfS and Article 3.3 of PPA.
- x. On receipt and after successful verification of the total Performance Bank Guarantee in the acceptable form and signing of PPA, the BG submitted towards EMD shall be returned by MSEDCL to the successful Bidder.

3.10 Forfeiture of EMD:

The BG towards EMD shall be forfeited by MSEDCL in following cases:

- i. If the bidder withdraws or varies the bid after due date and time of bid submission and during the validity of the bid;
- ii. In case, MSEDCL offers to execute the PPA with the Selected Bidder and if the selected bidder does not submit the requisite documents as per Section 3.11;
- iii. If after date of issue of LOA, it is found that the documents furnished by the bidder during RfS are misleading or misrepresented in any way and that relevant facts have