

REQUEST FOR EXPRESSION OF INTEREST

**FOR ENPANELMENT OF CONSULTANTS FOR
FINANCIAL APPRAISAL OF PROJECT PROPOSALS**

**EOI REFERENCE: CRCL/EOI/
DATE: 04.08.2017**

**CHHATTISGARH RAILWAY
CORPORATION LIMITED**

“Financial Appraisal of Project Proposals”

A. AN INTRODUCTION:

1. Chhattisgarh Railway Corporation Limited (CRCL) is a joint venture company of Ministry of Railways (MoR) and Government Of Chhattisgarh (GoCG). incorporated in December 2016. The Government of Chhattisgarh and Ministry of Railways share an equity contribution in the ratio of 51:49 respectively. The Company’s registered office is situated at 1st Floor, CSIDC Commercial Complex, Mahadev Ghat Road, Raipura Chowk Raipur CT 492013 (Chhattisgarh).
2. The Company is managed through Board of Directors headed by the Chief Secretary of Chhattisgarh. The Day to day functioning of the Company is to be managed by the Managing Director.
3. The Company has a mandate of selecting bankable railway projects for development, study, arranging finance and execution of Projects. For this purpose, the Company is going to form ‘Special Purpose Vehicles’ (Subsidiary companies for each identified project which has its own financial viability) in partnership with other stake holders.

A. The Company has set ambitious targets of project development and implementation. The following two consultancy works are in progress: Preparation of Feasibility Study (FS), Detailed Project Report (DPR), and land acquisition works in connection with new electrified BG rail line from Katghora to Dongargarh in the state of Chhattisgarh in the jurisdiction of SEC Railway , and

B. Preparation of Feasibility Study (FS), Detailed Project Report (DPR), and land acquisition works in connection with new electrified BG rail line from Jharsuguda in Odisha to Raipur via Baloda Bazar in the state of Chhattisgarh in the jurisdiction of SEC Railway.

4. The projects will be executed by and large based on one of the participative models of implementation of railway projects. More details of such models are available at the web site of Ministry of Railways as per the following link:

http://www.indianrailways.gov.in/railwayboard/uploads/directorate/infra/downloads/Framework_NGRPLM_FINAL_40_AW.pdf

More details on CRCL can be viewed on company’s website <http://crcl.cgstate.gov.in>.

B. INVITATION OF APPLICATION

CRCL intends to empanel consultants for financial appraisal of its project proposals. The average size of Railway Projects is in the range of Rs. 2500-4500 Cr. including land acquisition, and EPC.

B,1 SCOPE OF WORK:

The appraising agency shall carry out financial appraisal of the project proposal, inter-alia, covering analysis of - economic and financial factors influencing the project; demand justification; statutory clearances; benchmarking assumed, funding arrangements considered, risk analysis and suggested mitigation measures, viability analysis - Project and Equity IRR, Debt Service Coverage Ratio (DSCR), Pay Back Period etc.

More specifically, the appraising agency shall undertake the detailed scope of services as under:

- a) Review of project documents, which includes, inter alia, Detailed Feasibility Reports (DFR) or Techno-economic Feasibility Report (TEFR), Detailed Project Report (DPR) etc. made available at the time of financial appraisal.
- b) Commercial Analysis.
- c) Financial Modeling.
- d) Risk analysis involving identification of various risks associated with the projects.
- e) Estimation of resource requirements/projections.
- f) Financing Plan and modeling to ascertain the viability of the project.
- g) Sensitivity Analysis.
- h) Financial Appraisal Report.

In particular, the scope of services envisaged for the project is outlined in the following paragraphs.

B.2 Review of Project Documents:

The appraising agency will review and scrutinize all the major documents and agreements including, inter alia, the DFR/ DPR, tariff agreements, Concession Agreement etc made available at the time of financial appraisal of the project proposal.

B.3 Commercial Analysis

Based on DFR/ TEFR/ DPR and other available documents/ information, commercial analysis of the project would be carried out to verify the commercial viability of the project including demand supply analysis of the industry, both domestic and international along with marketing arrangements and customer tie ups.

B.4 Risk Analysis

Risk analysis would involve identification of the various risks associated with the project. The exercise would ascertain if all the risks have been identified and steps have been taken for its allocation and mitigation through various contractual obligations and insurances.

B.5 Estimation of Resource requirements/ Projections

The appraising agency will analyse the resource requirements estimated after considering –

- Estimated outlay for proposed project
- Formulating/reviewing the expense projections of CRCL

- Estimation of revenues considering likely realizations
- Assessment with respect to location, raw material utilization, plant and machinery, technology, environmental clearances, manpower, regulatory requirements etc.

B.6 Financing Plan

The appraising agency shall study the financial plan mentioned in the DFR/ DPR to analyze the present and future projections, financial ratios, and operational performance of the Project.

B.7 Financial Modeling:

A detailed computer generated financial model would be developed to represent the base case and further financial and operative sensitivities. The financial model will be developed incorporating projected balance sheets, income statements, sources and use of funds, debt service schedules, tax and depreciation schedules and key ratios.

B.8 Sensitivity Analysis

A detailed sensitivity analysis shall be performed to assess the sensitivity of the base case projections to key macroeconomics and operating variables.

B.9 Financial Appraisal Report

The above activities would culminate in the preparation of a Financial Appraisal Report, which would present the analysis and recommendations on the techno- economic and commercial viability aspects of the Project, based on the DFR/ TEFDR/ DPR and/ or other documents.

It may be noted that the above scope of work is indicative only. The exact scope of work shall be mentioned while inviting commercial offers from the empanelled consultants.

C. QUALIFYING CRITERIA:

Experience Criteria

- a. The applicant should have done financial appraisal of at least 02 (two) project proposal having estimated project cost of at least Rs.1000 crore for a public sector undertaking or a concessionaire of Central of State Govt.
- b. The applicant should have appraised/planned a railway work implemented on private siding/concession basis in Indian Railways territory.

Financial Criteria:

- i. Annual turnover of the consultant/ consultancy firm must be more than Rs. 10 crore in at least one of the preceding three years from the due date for submission of the EOI application.
- ii. Net worth of the immediate preceding year from the due date for submission of the EOI application must be positive.

Application from consortium applicants shall not been accepted.

The applicant is required to submit documentary evidence in support of qualifying criteria. The applicants, which meet the above criteria, shall only be considered for evaluation.

D. PREPARATION/ SUBMISSION OF EOI

Interested applicants are requested to submit their application in a format as outlined below in order to achieve the objectives of maintaining uniform application structure for all the applicants:

CHAPTER-I: Letter of submission of the application

CHAPTER-II: Organisation profile

CHAPTER-III: The information regarding fulfillment of qualifying criteria as mentioned above is to be submitted as per Annexure - A and B along with annual reports and/ or audited accounts.

E. INSTRUCTION TO APPLICANTS

- a. Applicants are expected to examine carefully the contents of all the documents provided. Failure to comply with the requirements of EOI will be at the applicant's own risk.
- b. It would be deemed that prior to the submission of the application, the applicant has:
 - i. Made a complete and careful examination of requirements and other information set forth in this EOI request document.
 - ii. Received all such relevant information as it has requested from CRCL
- c. CRCL shall not be liable for any mistake or error by the applicant in respect of the above.
- d. The applicant shall bear all costs associated with the preparation or delivery of its application.
- e. The application and all correspondence incidental and related to application shall be written in English language only. Any printed literature and document submitted in any other language shall be accompanied by authenticated English translation, in which case, for the purpose of interpretation of the application, English translation shall govern. Responsibility for correctness in translation shall lie with the applicant.
- f. The applicant shall not disclose confidential information to any third party without prior written approval of CRCL.
- g. CRCL reserves its right to call for original of the supporting documents for verification if so deemed fit and also cross-check for any details as furnished by the applicant from their previous clients etc. The applicant shall have no objection whatsoever in this regard.
- h. The applicant shall submit an undertaking that there is no pending court cases or otherwise on them by the Govt. or Govt. Depts. / Statutory authorities which might infringe upon their rights to participate in such empanelment with a PSE.
- i. CRCL reserves the rights to make use of available in-house data for evaluation of the application that have been submitted against this request.

- j. CRCL will examine the applications for its completeness, whether the documents have been signed, complete in all respect and the details furnished are generally in order.
- k. The applicants may note that mere submission of application shall not entitle automatic qualification of the EOI application.
- l. Telefax/ E-mail/ CD shall not be accepted unless accompanied by formal signed documents. CRCL takes no responsibility for delay, loss or non-receipt of document sent by Post/Courier.
- m. Canvassing in any form by the agency or by any other agency on their behalf may lead to disqualification of their applications.
- n. CRCL reserves the right to accept or reject any application and to annul the EOI process and reject all applications at any time without thereby incurring any liability to the affected applicant(s) or any obligation to inform the affected applicant(s) of the grounds for the CRCL's action.
- o. CRCL reserves the right to invite fresh applications with or without amendment of the EOI at any stage without any liability or obligation for such invitation and without assigning any reason thereof.
- p. The selected applicants will be duly notified and will remain empanelled with CRCL for any relevant financial appraisal tender initially for a period of two years from date of notification. However, during any time of the tenure of empanelment, CRCL reserves the right to review the credentials of the applicant if any situation so warrants.
- q. CRCL reserves the right to reject any application if:
 - i. At any point of time, a material misrepresentation is made or uncovered for a applicant.
 - ii. The applicant does not respond promptly and thoroughly to requests for supplemental information required for the evaluation of the application
- r. The application for EOI complete in all respect should be sent to the office of the Managing Director (CRCL), Avinash Conclave, 3rd Floor, Magneto Mall, Raipur, Chhattisgarh on or before 22/08/2017.
- s. Any applicant requiring any clarification on the terms and conditions for this EOI request document may notify CRCL in writing or facsimile or e-mail. The applicants must send their queries at least 3 days prior to the last date for submission of application.
- t. There is no application fee. The information supplied by the applicant will not be disclosed to the third parties unless required for any legal compliance only in relation to the subject work.
- u. Post application correspondences may be made over e-mail. The applicants are advised to furnish authorize e-mail id along with an alternative e-mail for all communications. Mail received from the authorized or the alternative mail ids shall only be accepted.

Annexure-A

DETAILS OF SIMILAR WORKS EXECUTED DURING LAST FIVE YEARS FULFILLING THE QUALIFYING CRITERIA

Sl. No.	Full Postal Address of Client/ Name/ Phone No/ Fax No./ Email/ Contact person with Designation	Description of the assignment (Order Ref & Date)	Estimated Project Cost	Date of Completion	Remarks

Note: Documentary evidence/ proof of above information must be enclosed in shape of copy of work order & completion certificate.

Signature of applicant with seal & date

DETAILS FOR FULFILLMENT OF FINANCIAL CRITERIA

Year	Annual Turnover	Net Worth	Remarks

Note: Documentary evidence/ proof of above information must be enclosed in shape of copy of annual report/ certificate by Chartered Accountant/ Auditors

**Signature of applicant with
seal & date**