भारत हेवी इलेक्ट्रिकल्स लिमिटेड

BHARAT HEAVY ELECTRICALS LIMITED
HEEP, RANIPUR HARIDWAR -249403 (U.K)

Phone: 01334-285508 e-mail: chokhani@bhelhwr.co.in

Fax: 01334-226770

(CENTRAL DESPATCH DIVISION)

Expression of Interest

****

Exploration of Business Partners for

Development, Operation and Marketing

of

Brownfield Private Freight Terminal (PFT)

at BHEL Haridwar

Reference No: BHEL/HWR/PFT/EOI/2017 Date of Issue: 28/02/2017

Last date of submission: 20/03/2017

Bharat Heavy Electricals Limited

1.0 Introduction

Bharat Heavy Electricals Limited (BHEL) is a Maharatna public sector Enterprise under the administrative control of the Ministry of Heavy Industries. It has the distinction of being the India's largest power plant equipment manufacturer.The company has its corporate and registered office in Delhi and has a network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centers, 8 overseas offices, 15 regional centers, 7 joint ventures. BHEL is supplier of a wide range of products, systems and services for the core sectors of the economy, viz. power, transmission, industry, transportation, renewable energy, oil & gas and defense. Further details about the company and its operations can be obtained from its website www.bhel.com.

1.1 Objective of EOI

One of the units of BHEL at Haridwar, Heavy Electrical Equipment Plant (HEEP) is having its own Private Railway Siding at its premises established for its own material handling. BHEL intends to develop this siding as Brownfield Private Freight Terminal (PFT) & for this BHEL is seeking business partner having operating capabilities and marketing expertise of these services. Indian Railways is promoting the concept of development of Private Freight Terminals (PFT) on existing railway sidings or at a new place and had issued circular No. 2011/TC (FM)/14/14 dated 02.01.2015, of this intent followed by number of subsequent amendments. As BHEL intend to develop Private Freight Terminal (PFT) under these guidelines, an **Expression of interest is being invited by AGM (CDX) HEEP, BHEL Haridwar** from the interested existing players of this sector as per following terms and conditions. The processing of EOI shall be used to identify the interested eligible parties who make an application in accordance with the provisions of this EOI.

1.2 Current Business Scenario

The opening of the Freight Terminal Services for private sector by Railways in Jan, 2015 have triggered rapid country wide development of PFT in India & already 27 PFTs are operating in different states of India(e.g. At Kanpur, & Muradnagar in UP, Durgapur In WB, Ludhiana in Punjab etc.). So far there is no operating PFT in Uttarakhand. After development of the new state of Uttarakhand, Haridwar and surrounding districts have seen massive industrial growth and road network is not adequate to cater their total transportation requirements. A number of industries & SIDCUL associations are already approaching Railways for developing PFT in the state. The presence of large number of medium to big industries in SIDCUL Haridwar, Bhagwanpur and Dehradun etc. is expected to be a big driver in demand for PFT.

1.3 Existing Facility

HEEP is having its own Private Railway Siding at its premises. This siding is stationed at about 4 Kms from Haridwar Railway Station. The Railway siding is surrounded with adequate land bank and two way road connectivity. We have also four yard lines measuring 700-750 Mtrs beside main line. A rough sketch of the existing facility is enclosed at Annexure – D.

Existing two way road in the vicinity of BHEL Railway siding will be provided for connectivity up to siding. BHEL reserve the right to restrict the movement of PFT related vehicles on other roads of its township and may form guidelines time to time for road movement so that the traffic nuisance on the roads can be minimized.

1.4 Broad Scope of Work:

1.4.1 To carry out survey of the existing and future demand for PFT and warehousing services. To categorize the demand in type of commodities expected to be handled. To conduct site analysis & project feasibility.

1.4.2 After detailed study, to present a feasible roadmap for development of PFT & other related facilities including approach road with financial budgeting leading to final costing of the project.

1.4.3 Clear estimations of business potential, expected revenue generation, profitability and required capital for infrastructure development & operations,.

1.4.4 After techno-commercial agreement with BHEL, to design &, develop the required facilities for PFT.

1.4.5 To carry out marketing for PFT and to operate the PFT for the initial agreed period.

1.4.6 Regular interaction with BHEL as per the mutual agreed modalities.

1.4.7 To specify the minimum requirement of the land surrounding the siding for PFT and related services. Such requirement should be supported by the detailed plan of infrastructure and concept plan. As PFT operator shall have to restrict their operations within clearly identified & marked area, they should take due care in assessing the land requirement.

2.0 Application and Documents to be submitted : Applicant has to submit clear and adequate documents in support of the qualifying and other requirements. Each and every page of the same must be signed by duly authorized representative.

2.1 QUALIFYING REQUIREMENTS: The intending Applicants shall fulfill the following criteria:

2.1.1 EOI should be submitted by any business entity owning at least one operational PFT/ICD. They should have experience of development, operation and marketing of Private Freight Terminal (PFT) or Inland Container Depot (ICD) or both for not less than minimum two (02) years as on date of issue of EOI. Proof for the same shall be attached with the offer. Applicants also have to submit Performa for performance statement as per Annexure- B.

2.1.2 Applicants can be a Sole Proprietor/company/Firm/JV Company or Group of Entities (“GOE”).

2.1.3 The Applicants must have handled total cargo of minimum 50,000 tonnages in the last financial year i.e. 2015-16 or 2016-17 till the date of submission of application. Proof for the same shall be attached with the offer. Completely Executed work orders up to the date of application from at least two different customers to be submitted.

2.1.4 The Business tie-up agreement would be entered into by the BHEL with the single entity applicant or the lead member of the GOE.

2.1.5 The Applicants must be of financial soundness and must have achieved average annual turnover of at least Rs. 10 Crores per year during financial years i.e. 2014-15 & 2015-16.

2.1.6 In case of joint bidding, an undertaking is required to be submitted by all the partners of GOE that they are joining together to meet the scope of the EOI. The Application should include a brief description of the roles and responsibilities of individual members. The undertaking must clearly indicate one of their members as the lead member of the GOE. The lead member of the GOE would be responsible to BHEL for the entire scope of work and shall ensure back to back tie ups with other members of the GOE.

2.1.7 The Applicants should have positive net worth as on 31.03.2016.

Generally above conditions shall be applicable for consideration of EOI. But even a party not fulfilling some of the qualifying conditions, may also present its application, explicitly mentioning their strength points. Such applications may or may not be considered on merit on sole discretion of BHEL.

2.2 <u>Compulsory Documents to be submitted</u>: The Applicant has to submit following documents along with application:

2.2.1 Letter comprising the Application as per format enclosed at <u>Annexure A</u> along with information, data & supporting documents thereof.

2.2.2 Documents fulfilling qualifying requirements in 2.1.

2.2.3 Copy of Articles & Memorandum of Association or partnership deed or any other registration of entity as applicable.

2.2.4 Copies of Income Tax Returns along with duly audited balance sheets and profit and loss accounts for the three financial year's i.e. 2013-14, 2014-15 & 2015-16 or after inception of company/firm/entity, whichever is less.

2.2.5 Copy of Permanent Account Number.

2.2.6 Copy of Service Tax Registration.

2.2.7 The broad detail of tonnage and type of commodity handled in last two financial years with relevant proofs.

2.2.8 Brief profile of the company & their management team.

Note: All the documents should be duly signed by Authorized signatory. The Authorized signatory shall be the person holding "Power of Attorney" on behalf of the firm /company/ Applicants concerned and properly authorized / empowered to act on behalf of the Applicants for the specific purpose. In case of proprietorship entity, only the proprietor or an individual holding POA may signs the documents. Whereas in case of partnership firms, the documents must be signed by all the partners of the firm or by a person holding valid POA on behalf of other Partners. Notarized copy of such POA shall be submitted along with the quotation.

2.3 <u>Information about existing PFT</u> : Applicants are also required to submit following documents:

2.3.1 PFT wise list of major customers with the volume of business being executed/completed by applicant w.r.t. each customer.

2.3.2 Are the Applicants working on a partnership / joint venture model? If yes, then they are required to furnish certified copies of partnership /JV deeds, operation describing the Business model, major terms of sharing etc PFT wise.

2.3.3 The details about the capital investment made in their existing PFT and sourcing of funds. Complete detail to be furnished of all the loans or equity participation by Bank/FIs / corporate/etc.

2.3.4 To provide photographs/booklet evidencing the clear view of their operational PFT/ICD along with installed infrastructure and equipment being used.

2.4 **Proposal for the PFT to be developed:** Applicants should furnish adequate & elaborate information in a straight forward manner on Applicants' capabilities for proposed PFT in line with scope of work. The broad information to be submitted are as follows:

2.4.1 Proposal for business model with BHEL for PFT. They are required to submit a concept paper for developing the Business of PFT Services. The value added services envisaged in the concept paper along with the marketing strategy maybe indicated by the applicant. Applicants are required to provide the proposed modality of revenue sharing with BHEL. The applicant may propose number of different models.

2.4.2 Applicants may be required to carry out preliminary survey of the market to provide expected revenue generation/ business. Indication of expected profit for the next five years starting from the commencement of PFT/ICD operation shall be required. Potential of business should be submitted in as much detail as possible and may be in separate sheets.

2.4.3 The plan for the development of new infrastructure or modification in existing infrastructure required to operationalize the PFT/ICD. Expected expenditure for this and time schedule.

2.4.4 The Applicants must clearly specify the requirement of the land, dimensions & total area, requirement of connecting roads. The Applicants must also spell the type of agreement; it proposes to enter into with BHEL with regard to usage of the BHEL owned land for PFT. However **"No mortgage of BHEL Land or any other infrastructure at BHEL land will be allowed for raising of fund etc."**.

2.4.5 The details of required equipment's/ Special Vehicles & major essential facilities for PFT/ICD operations along with expected cost & lead time.

2.4.6 The Applicants shall submit the requirement of capital investment and working capital for development, operation and marketing etc. Also submit the plan for the source of funding.

2.4.7 The business proposal must have adequate plans for infrastructural development required for expansion of business in future.

2.4.8 The Applicants has to mention the minimum required period of the initial agreement with BHEL. Applicants are required to submit details terms and conditions for periodic amendments/extensions of the Initial agreement.

2.4.9 Applicants may submit number of possible models of partnership/joint venture so as to enable BHEL for larger and comprehensive consideration.

2.4.10 Applicants can also provide any other relevant information with respect to PFT/ICD business

3.0 General Instruction to the Applicants:

3.1 Submission of the Proposal:
The EOI can be downloaded from BHEL Haridwar Web site i.e. www.bhelhwr.co.in or can be collected from the office of AGM (CDX- Logistics). The Interested party may submit their EOI duly signed by the authorized Signatory on each page of documents with all necessary annexures. The Application is to be submitted by hand or by Registered Post so as to reach at the following address on or before **20th Mar'2017**.

The Additional General Manager (CDX – Logistics Services)
Bharat Heavy Electricals Limited
HEEP, Ranipur, Haridwar-249403
Uttarakhand, INDIA
Telephone : +91-1334-285508
Telefax : +91-1334- 226770
Email : chokhani@bhelhwr.co.in

The covering envelope containing aforesaid documents submitted should be clearly Marked: **"Expression of Interest for Development, Operation and Marketing of PFT".**

3.2 Further information/ clarifications:

Applicants may seek clarification/ information with respect to EOI document in writing from AGM (CDX- Logistic Services) at above address or through **email at chokhani@bhelhwr.co.in**. BHEL reserves the right to respond/Non-respond, to clarifications/information sought, in its sole discretion.

3.3 Clarification/ Deliberations ON EOIs Submitted:

During scrutiny of EOI applications, BHEL may invite parties for further clarification/ deliberations. BHEL reserves the right to request such information from any or all of the interested party (ies) and such party will be obliged to respond within the time as stipulated.

3.4 EOI Process:

3.4.1 All interested applicants are allowed to visit BHEL Haridwar rail siding between **02nd Mar to 6th March, 2017** on any day after pre appointment with AGM (CDX- Logistics Services) to gather firsthand information. On **10th March, 2017 a pre-bid meeting** is proposed to be held from 2: PM to 4:00 PM at the office of GM (PCRI & C&PR), BHEL Haridwar for discussions on the EOI, any changes in schedule will be posted on our BHEL Haridwar web site.

3.4.2 After completion of the initial process, all short listed applicants may be called for presentation and, to hold further discussions with the senior management of BHEL. They may also be furnished with further information, if required.

3.4.3 This EOI is intended for evolution of prospective PFT business model in broad term and short listed applicants will get time bound opportunity to:

i. To conduct technical and financial due diligence.

ii. To hold further discussions with the senior management of BHEL.

The terms quoted in the EOI may be used to form the basis of setting out the final tender/ RFP.

3.5 BHEL Statement of Rights/Prerogative.

3.5.1 BHEL reserves the right to annul the EOI Process and reject all applications, at any time without any liability for such annulment, and without assigning any reasons thereof.

3.5.2 BHEL reserves the right to proceed with/ cancel the process irrespective of the response to its invitation.

3.5.3 Updates with respect to EOI shall be hosted on BHEL **Haridwar web site www.bhelhwr.co.in** only.

3.5.4 Without limiting the generality of the foregoing, BHEL reserves the right to reject any or all of the EOIs submitted, whether or not complete and whether or not it contains all the required information.

3.5.5 Decision of BHEL management in respect of the above would be final and binding on the Applicants.

3.5.6 BHEL may, in its sole and absolute discretion, independently verify any information in any submission. Any such verification or lack of such verification by BHEL shall not relieve the Applicant of his obligations or liabilities.

3.5.7 This EOI does not create a tender process. EOI will be evaluated by company designed processes.

3.6 General Terms & Conditions:

3.6.1 The Applicant should satisfy himself that document is complete in all respects. The Applicant should contact the competent authority at BHEL Haridwar and verify facts in case of ambiguity in interpretation of EOI document, before submission of EOI.

3.6.2 Mode of EOI evaluation shall be final and binding to all Applicants. BHEL shall not entertain any correspondence in this regard.

3.6.3 Mere participation & qualification in EOI will not automatically mean that such Applicants are considered qualified.

3.7 Indemnity to BHEL:

The PFT business partner shall be required to indemnify BHEL adequately from all legal, financial and statutory obligations arising out of PFT business i.e. staring from development to operations etc. as may be deemed appropriate by BHEL.

3.8 Jurisdiction/Arbitration:

All matters relating to the EOI and selection of Interested Applicant and the bidding procedure shall be governed by the laws of Union of India. Only Courts at Haridwar, Uttarakhand (India) shall have exclusive jurisdiction to decide or adjudicate on any matter, which may arise out of or in connection with the EOI process.

Annexure-A

Expression of Interest Letter

(To be submitted on the letter head of the Applicant)

Ref : Date

To,

The Additional General Manager (CDX – Logistics Services)
Bharat Heavy Electricals Limited
HEEP, Ranipur, Haridwar-249403
Uttarakhand, INDIA
Telephone : +91-1334-285508
Telefax : +91-1334- 226770
Email : chokhani@bhelhwr.co.in

Subject: EOI for development, operation and marketing of Private Freight Terminal on existing Railway siding at BHEL Haridwar.

Please refer to the document Ref. No BHEL/HWR/ PFT/EOI/2017, dated 28 Feb 2017 for above mentioned subject matter. We have read the EOI document and understood its contents. We are desirous of engagement for subject project work on the basis of mutually agreed terms and conditions with BHEL and hereby submit our Application:

1. We acknowledge that BHEL will be relying on the information provided in the Application and the documents accompanying such Application for qualification of the Applicants for the aforesaid project, and we certify that all information provided in the Application and in Annexure B to E are true and correct. It is certified that nothing has been omitted which renders such information misleading. All documents accompanying our Application are true copies of their respective originals.
2. We confirm to make available to BHEL, within the stipulated time, any additional information it may find necessary or require to supplement or authenticate the qualification statement.
3. We agree and undertake to abide by all the terms and conditions of the EOI document.

In witness thereof, I / we submit this application under and in accordance with the terms of the EOI document. You and your authorized representatives may contact the person(s) listed below for further information. The undersigned is (are) fully authorized to act on behalf of the Applicant.

We shall be glad to receive further communication on the subject.

Yours faithfully,

(Signature, name and designation of the Authorized Signatory)

Date:

Place:

Annexure-B

INFORMATION PERFORMA

1. Name of the body corporate/Company/Firm
 ____
 ____
 ____
 ____
 (Company profile, in brief, to be attached)

2. Type (Tick the relevant category).
 a) Sole Proprietor :Yes/No
 b) Company :Yes/No (Details of registration to be provided)
 c) Firm :Yes/No (Attach Details)
 d) JV of existing PFT : Yes / No (give specific details).
 e) ICD (Inland Container Depot) or both : Yes/No (Attach Details)
 f) Lead Member of GOE : Yes / No (give specific details).
 ____
 ____
 ____
 ____

3. Contact Details:
 Postal Address____
 ____
 ____

 City ___________________State ________________PIN Code ________________

 Fax ________________Tele ________________

 email________________ URL/Website ______________________________

4. Local Branch/Liaison Office/Authorized Representative (if any).
 Name & Address____
 ____
 ____

 City ___________________State ________________PIN Code ________________

 Fax ________________Tele ________________URL/Website ________________

5. List of Present Directors as on 01.01.2017

S No	Name	Responsibility	Qualification & Experience	Contract Details

6. Financial Details.

a) Annual turnover ________________________________

b) Information on Net worth ((excluding revaluation reserves, if any.)

	Cash accruals Year 1	Cash accruals Year 2	Cash accruals Year 3	Latest Net worth on or after 01/04/2016
Single Entity/ Lead Member of GOE				

Instructions:

i. The Applicant shall attach copies of the balance sheets, financial statements and Annual Reports for 3 (three) years preceding the Application Due Date.

ii. The financial statements shall:
   (a) reflect the financial situation of the Applicant;
   (b) have been audited by a statutory auditor;
   (c) be complete, including all notes to the financial statements; and
   (d) Correspond to accounting periods already completed and audited.

iii. Net Cash Accruals shall mean Profit After Tax + Depreciation.

iv. Net worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders).

v. Year 1 will be the latest completed financial year, preceding the EOI. Year 2 shall be the year immediately preceding Year 1 and so on.

vi. The Applicant shall provide an Auditor's Certificate specifying the Net worth of the Applicant and also specifying the methodology adopted for calculating such Net worth.

c) Source of the fund/ Capital invested in the firm & loans etc.

Authorized Share Capital as on 01.04.2016	
Paid up Share Capital as on	

01.04.2016	
Major shareholders with their % holding	
Secured loans	
Unsecured loans	
Any other source of fund	

d) Major liabilities pending as on 01/01/2017:

e) Earlier contracts with Indian Railway/Government agencies / Other parties:

S No	Agency	Contract Number	Operational year	Capacity	Expected Revenue

f) Name of the Key Executive (Authorized representative by the Board of the company)

S No	Name	Capacity	Qualification & Experience	Contract Details

g) Present facilities and equipment's (PFT wise)

7. **Is the applicant operating all the services of existing PFT in-house or it is being outsourced? Please provide details**.

   a. Reference list with details of customer
   b. Recent End User Certificates for satisfactory performance (as applicable)

8. Any other Relevant Information:

The applicant can attach any electronic storage media, separate document, PPT etc. required to elaborate the business concept and existing capabilities.

Annexure- C

Litigation Impact Statement

(To be submitted on the letter head of the interested Applicant)

Ref : Date

To

The Additional General Manager (CDX – Logistics Services)
Bharat Heavy Electricals Limited
HEEP, Ranipur, Haridwar-249403
Uttarakhand, INDIA
Telephone : +91-1334-285508
Telefax : +91-1334- 226770
Email : chokhani@bhelhwr.co.in

Subject: EOI for development, operation and marketing of Private Freight Terminal on existing Railway siding at BHEL Haridwar.

Dear Sir,

We refer to the Expression of Interest as per subject matter. We have read and understood the contents of the EOI document and pursuant to this hereby confirm that we satisfy the eligibility criteria laid out in the EOI.

We hereby confirm that as may be set out in the schedule attached to this statement, there is no litigation (including court, arbitration and other proceedings), inquiry or order from any regulatory authority, current or pending against us, which if adversely determined might have material adverse impact on our ability to carry on our business or pay our debts as they fall due or on our ability to enter into any of the transactions contained in or contemplated in respect of the process of identification of an Interested Party for entering into a joint venture with BHEL for development, operation and marketing of Private Freight Terminal.

Further, the authorized signatory is vested with requisite powers to furnish such letter and request for qualification and authenticate the same.

Yours faithfully,

(Authorized Signatory)

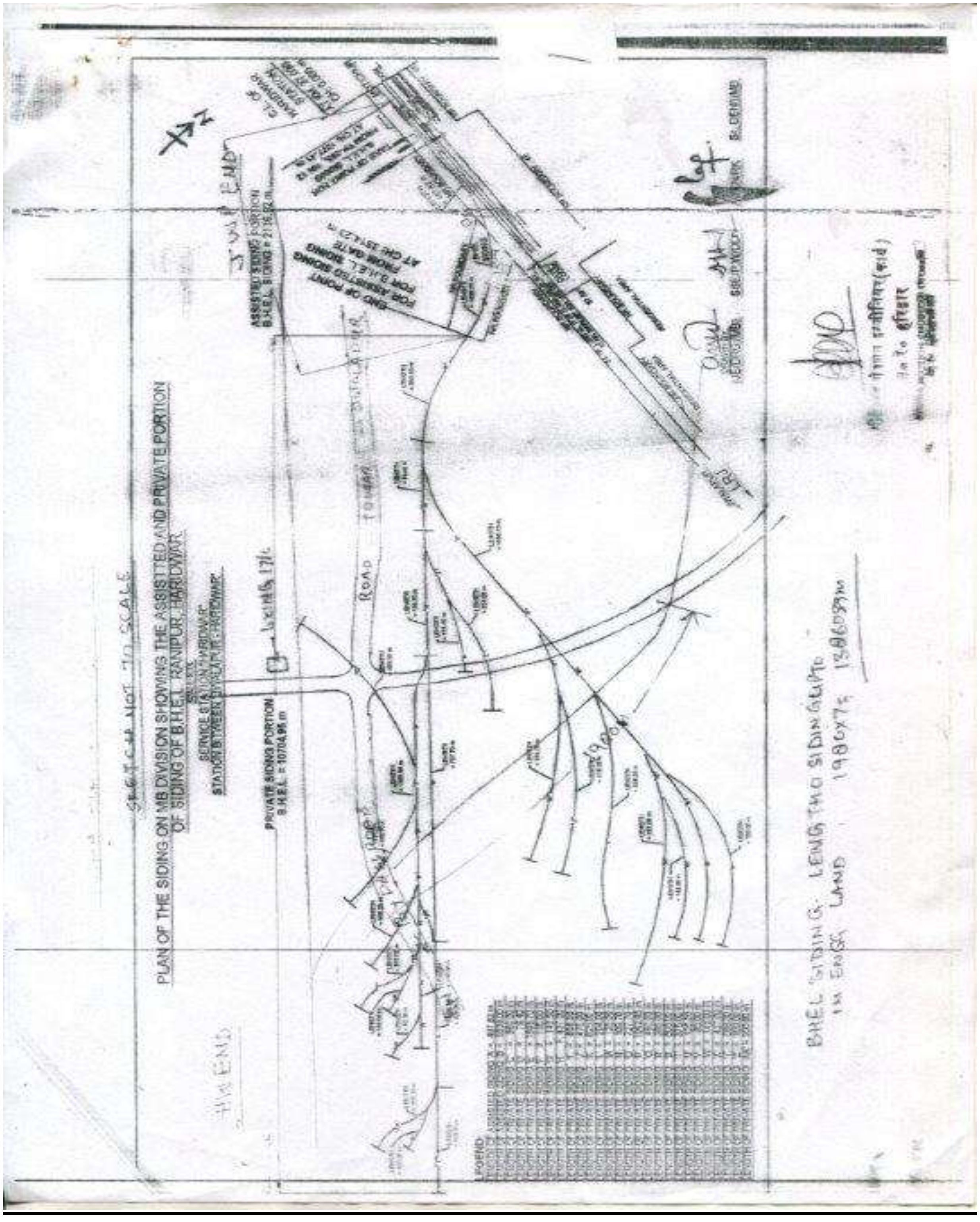
Date: **Sign : -----------------**

Place: **Name : -----------------**

Design : -----------------

Annexure-D

Rough Sketch of Railway Siding at BHEL Haridwar



Annexure-E

Check list for EOI to be submitted by Applicant

Agency Name:

Category: Sole proprietor/Company/Firm/Joint Venture (JV)/Inland Container Depot (ICD)/both

SL No	Particulars	Put Tick Mark Yes(√) / No(×)
1.0	**Compulsory Documents (Duly signed) : General**	
1.1	Application for EOI as per format enclosed at Annexure-A	
1.2	Document for Qualifying requirement as stated at clause no 2.1	
1.3	Copy of Articles & Memorandum of Association or partnership deed, whichever is applicable.	
1.4	Copies of Income Tax Returns along-with duly audited balance sheets and profit and loss accounts for the three financial years i.e 2013-14, 2014-15 & 2015-16	
1.5	Copy of Permanent Account Number (PAN)	
1.6	Copy of Service Tax Registration	
1.7	Tonnage and type of commodity handled in last two financial years with relevant proofs.	
1.8	Brief profile of the company & their management team	
1.9	Performa for Performance Statement as per Annexure-B	
1.10	PFT wise list of major customers with the volume of business	
1.11	Litigation Impact Statement as per Annexure-C	
2.0	**Compulsory Documents (Duly signed) : Specific**	
2.1	Concept paper for developing Joint Venture (JV) with BHEL	
2.2	Details about Business Potential, Expected Revenue Generation, Expected Profit for at least Five years since operational commencement of PFT	
2.3	Details about requirement of infrastructure viz land requirement (total area), connecting roads, approach roads, major essential facilities/ equipment, special vehicles, provision for future expansion etc.	
2.4	Activity chart for implementation of the project	
2.5	Details about capital investment requirement, sourcing of funds, type of agreement with BHEL and time period, Business Models for revenue sharing etc.	
3.0	**Any other Information:**	