



Government of Orissa
Department of Public Enterprises

INVITING EXPRESSION OF INTEREST (EoI) FOR SUPPORT IN ASSESSING
REALIZABLE VALUE OF ASSETS OF PUBLIC / COOPERATIVE SPINNING
MILLS IN ORISSA

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The Government of Orissa (GoO) intends to prepare a panel consisting of expert professional Valuers to value the assets of Public / Cooperative Spinning Mills in the State.

The details of Terms of Reference (ToR) for such assignment is available in this Departments website- <http://orissagov.nic.in/publicenterprises/index.htm>

Interested Valuation Firms / Agencies may submit their Expression of Interest (EoI) by Registered Post only to the Project Manager, Orissa Public Enterprise Reform Project Office at 8, Forest Park, Bhubaneswar 751 009 on or before 15.00 hrs on 11.09.2006.

For any further information please contact to

Project Manager, Orissa Public Enterprise Reform Project Office at 8, Forest Park, Bhubaneswar 751 009 Tel: (0674) 5529498 / 5529464, Fax: (0674) 2395049.

The GoO reserves the right to withdraw from the process or any part thereof, to accept or reject any or all offers at any stage of the process and / or modify the process or any part thereof or to vary any terms at any time without assigning any reason thereof.

TERMS OF REFERENCE

FOR SUPPORT IN ASSESSING REALIZABLE VALUE OF ASSETS OF PUBLIC COOPERATIVE SPINNING MILL IN ORISSA

1. Introduction

The Department of Public Enterprise (DPE) is the nodal department for the ongoing Orissa Public Enterprise Reform Programme Phase-II (OPERP-II). The programme is implemented by DPE and assisted by OPERP project office located at 8, Forest Park, Bhubaneswar.

2. The Assignment

It is intended to appoint consultants (Advisers) to carry out valuation of the enterprises' land and buildings, plant and machinery, electrical installation and other assets such as vehicles, furniture, fixtures, equipment, stores and spares, unsold products etc. These terms of reference specify the work to be carried out by the Advisers.

The purpose of the valuation is:

- § To provide an inventory of the Assets to be divested.
- § To give DPE, an independent guide to the value of the Assets for the purposes of sale so that such value can be used as a guide in setting a reserve price for the sale.

3. Enterprises for which assistance is sought.

The list of enterprises, which DPE intends to take up on, a phased manner during the course of OPERP is:

- § Gopi Spinning Mill
- § Jagannath Spinning Mill
- § Utkal Spinning Mill, Khurda
- § Saral Spinning Mill, Tirtol
- § Bhaskar Textile Mill, Jharsuguda

4. Scope of Work

The scope of work of the Advisers will be broken down into a number of tasks:

Task 1: Initial reviews of the enterprises

The advisers will familiarise themselves with the enterprises listed and, among other things, obtain from the respective enterprise, appropriate administrative Department, DPE and other sources any necessary information.

Task 2: Prepare and submit inception report

The Inception Report will include the understanding of the Adviser(s) about the work to be conducted by them. This proposed detailed work programme will need to be agreed with DPE.

Task 3: Detailed examination of the enterprise

The Adviser(s) will carry out all such investigations, and gather all such information, as is necessary and/or appropriate for the purposes of the valuation report. The valuation is to include all the assets of the enterprise.

Task 4: Submission of valuation report

The Adviser(s) will prepare, for consideration and approval by DPE, in conjunction with the enterprise, a draft valuation report:

- § Specifying the value of the assets in the enterprise.
- § Detailing the basis of valuation and providing full justification for such basis and for any assumptions underlying the valuation.

The valuation should state whether there is the assumption of no environmental contamination, seismic or climatic conditions or other factors that could affect the value.

The valuation will be for the purpose of assisting GoO in selling the enterprise's assets.

The Assets shall be valued in consultation with DPE. This is to approximate market value (or what might be described as "realisable value") of the assets, with comments on these and any suggestions and explanations on how these may be interpreted by a potential buyer. Though the assets under consideration may not have a 'regular market place', wherever possible the availability of similar assets and the realised value in the not so far past (in Orissa or elsewhere in India) needs to be considered by the adviser.

If the valuer in his professional opinion believes that other methods of valuation may be appropriate he may also include those in addition to the methods required. However it will not be acceptable to provide a valuation or valuations solely on the basis of "replacement value" or merely unadjusted "net book value".

The Advisers will be required to give the full reasons for the different valuations, which will need to be fully justified and explained in the report and in the presentation as specified under the "Deliverables" section of these Terms of Reference.

5. Deliverables

Deliverables will include but will not necessarily be limited to:

- § An Inception Report at the completion of Task 1.
- § Brief progress reports that will comment on work undertaken, actions completed in respect of each enterprise, problems faced and suggestions for minor modifications to the agreed work programme as it progresses.
- § Valuation reports on each enterprise following the agreed methodology. The draft valuation reports on all enterprises valued must be submitted on completion of the bulk of the work on each enterprise. The reports will be presented to DPE in hard copy and as soft copy on CD using MS Word.

§ Following submission of their reports, the Advisers will be required to make a formal presentation of their findings at a meeting arranged for that purpose.

6. Timing

The Timetable for the work will be:

- § Inception report one week following the commencement of the work.
- § Thereafter reports in accordance with the detailed work programme agreed following submission of the Inception Report and detailed work programme therein or as modified and agreed.
- § Draft asset valuation reports on each enterprise valued will be submitted not later than three weeks after the start of the work (or other time scale to be agreed) on the respective enterprise in each case. This to be in accordance with a timetable to be agreed following submission and discussion of the Inception Report.
- § Final report following completion of all valuations, to be submitted no later than four weeks from the commencement of the work programme.

7. Administrative Arrangements

The Advisers will report to DPE / OPERP Office, and the Advisers tendering for this work should note that neither DPE nor OPERP will provide any office facilities, transport or other services in connection with this assignment.

8. Proposals

Interested firms intending to take up the assignment are required to submit a brief technical proposal of not more than 5 pages stating the following:

1. Contact details (including email ID)
2. Relevant past experience of the firm
3. Proposed methodology including the time frame a) if allotted an individual enterprise and b) for the entire list of enterprises
4. CVs of key personnel to be associated
5. Any other relevant information

The financial offer should be made in a separate sealed cover quoting the price in a manner that the intending adviser deems suitable for the assignment. As a reference we provide the following options for the adviser to make the financial offer:

- a) On a per enterprise basis
- b) On the basis of a group of enterprises
- c) For the entire list of enterprises

The offers should reach the Project Manager, Orissa Public Enterprise Reform Project Office at 8, Forest Park, Bhubaneswar 751 009. on or before 15.00 hrs. on 11.09.2006 in set of three hard copies in sealed envelopes.
