



**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
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**Expression of Interest (EOI) / Terms of Reference (ToR) from**  
**Chartered Accountancy Firms for Empanelment with MERC**  
**for Financial Advisory Services**

**Maharashtra Electricity Regulatory Commission (MERC)** under Section 86 of the Electricity Act, 2003 (EA 2003) undertakes various functions, mainly determination of tariff for generation, transmission and wheeling of electricity, bulk or retail supply of electricity, as the case may be, within the State of Maharashtra, to regulate electricity purchase and procurement process of Distribution Licensees and issue licenses to persons seeking to act as Transmission Licensee, Distribution Licensee, and electricity Traders, and promote cogeneration and generation of electricity from renewable sources of energy.

**MERC** intends to empanel qualified and professionally managed Chartered Accountancy Firms to assist the Commission for discharging its functions effectively. The tasks for which MERC is seeking empanelment are as under;

- Detailed financial analysis of MERC Tariff Orders.
- Financial analysis of Capital expenditure proposals with respect to parameters such as cost optimization, cost reduction measures, Capital gearing structure, Interest during construction period, depreciation/amortization etc.
- Reconciliation of Utilities ARR financial statements with their Final Books of accounts prepared as per the provisions of the relevant applicable statute.
- Analysis of the concept of 'Return on Equity' Vs. 'Return on Capital Employed' and its financial implications for the MYT Regulations.
- Analysis of Impact of Regulatory assets and its carrying cost on the tariff.
- Financial analysis of Power Purchase Agreement.
- Advising the Commission on financial matters.

Description of work areas, eligibility and qualification required, bid submission format and procedure as well as EOI/ ToR evaluation methodology is provided in the "Terms of Reference-Financial Consultants" available on MERC's website [www.merc.gov.in](http://www.merc.gov.in).

Interested Chartered Accountancy Firms may submit bids latest by, **on or before 24<sup>th</sup> December, 2014, 16:00 hrs.**

**Secretary, MERC**