

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सैक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फ़ैक्स : 0124-2571762, "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

CIN : L40101DL1989GOI038121

Ref : POWERGRID/CC/F&A/RMC/

Dated: 29th August, 2018

Invitation of Offer for arranging term loan in JPY currency for an aggregate amount of JPY22 billion with a green shoe option to retain oversubscription upto JPY33 billion.

Dear Sir,

POWERGRID is planning to raise funds by way of a term loan from the international markets/banks (Lender's) to finance its capital expenditure.

Brief details of the requirement of POWERGRID (the "Company" / "Borrower") with respect to proposed financing are as under:-

Amount and currency	JPY22 billion with green shoe option upto JPY33 billion .
Purpose	Corporate loan for part financing of its capital expenditure for its ongoing and new projects.
Average Maturity	More than Ten (10) years
Repayment	Five (5) equal annual installments starting from end of Eight (8) year
Availability period & Drawdown	Three (3) months from the date of the Facility Agreement. Each drawdown to be JPY 5.5 billion or higher.
Security	The loan shall be unsecured, without any guarantee or Letter of Comfort from Govt. of India. Negative Lien will be provided with carve out for certain permitted borrowings for which security can be created by the company.
Rate of Interest	JPY 6M LIBOR + Margin Floating rate of interest determined as ICE LIBOR for a six month deposit, set in advance, plus specified margin; payable semi-annually on 15 th November and 15 th May every year.
Interest Payment	(i) the first two Interest Periods will be of three (3) Months in duration; and (ii) each Interest Period following the first two Interest Periods will be of six (6) Months in duration, or any other period as may be agreed by the Borrower, the agent and all the Lenders.



पंजीकृत कार्यालय: पावर ग्रिड, इंटरनैशनल एरिया, कटवारिया सराय, नई दिल्ली-110016 दूरभाष: 011-26560112, 26560121, 26564812, 26564892, फ़ैक्स: 011-26601081
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel.: 011-26560112, 26560121, 26564812, 26564892, Fax: 011-26601081, Web.: www.powergridindia.com

स्वहित एवं राष्ट्रहित में ऊर्जा बचाएं

Save Energy for Benefit of Self and Nation

Financial Covenants (On Non-Consolidated basis)	<p>1) Debt Service Coverage Ratio</p> <ul style="list-style-type: none"> - (i) Free Cash Flow of current year not less than 1.2 times of the debt service requirement for the current period. - (ii) Average Free Cash Flow of last year, current year and next financial year not less than 1.3 times of debt service requirement for the current period. <p>2) Debt : Equity Ratio - Not greater than 3:1</p>
Voluntary Prepayment	The Borrower may, by giving not less than fifteen (15) Business Days' prior notice and subject to compliance with the ECB Guidelines (or otherwise with the approval of the RBI under the provisions of the ECB Guidelines), prepay the whole or any part of any Loan but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of one billion Japanese Yen (¥1,000,000,000) and integral multiple of one hundred million Japanese Yen (¥100,000,000), without any penalty.
Governing Law	English Law (Law of England)
Hedge Transactions	The Company retains the right to enter into any hedge transaction(s) in relation to the proposed facility with any one or more banks of its choice. Right of First Refusal or any other preferential right for a hedge will not be offered by the Company to the Lead Arrangers/Lenders.
Validity of offer	The offer should remain valid for acceptance for 30 days from the last date for submission of offers.
Acceptance of offer	POWERGRID shall communicate its in-principle acceptance of the offer within the specified validity period of the offer subject to arriving at mutually acceptable loan agreements.
Signing of facility	The signing of facility agreement is envisaged to be completed by 31 st December, 2018 or any other date agreed by the Company.
Upfront/Arrangement Management Fee, Other Fees and Expenses	All fees and expenses payable by the Company shall be indicated in the specified format which would be considered by the Company for the purpose of calculation of all-in-cost of the borrowing.

Draft Facility Agreement

A soft copy of the draft Facility Agreement for the proposed facility shall be provided through a separate email. You are requested to peruse the same and submit any changes required therein, marked up in a MS-Word file format (track change mode) through email separately at murthyksr@powergridindia.com; sandeep@powergridindia.com. Further, it is requested to submit the proposed changes required in terms and conditions of the loan facility through mark-up on the enclosed loan agreement only.



Syndication Issues

Considering the funding requirement of the company, after the issue of a mandate letter till the syndication for the proposed loan, POWERGRID reserves the right to raise funds from an offering of bonds in the international markets or loans guaranteed/non- guaranteed provided by commercial banks or by any bilateral or multilateral agency/Govt. export credit agency.

Conditions related to syndication acceptable to the Company are given at **Annexure-I**. There shall be no other conditions of "Market-Flex" and "Indemnity" in connection with the arrangement and underwriting of the proposed facility.

Withholding Tax

The Company intends to avail the benefit of lower withholding tax @ 5% available under Section 194LC of the Income Tax Act 1961. Accordingly, the Permanent Account Number (PAN) and other documents as may be required in respect of the Lead Arrangers, all lenders and Facility Agent, if any, shall be provided to the Company to enable it avail the benefit of the lower withholding tax. If the Company is required to make deduction of tax at source at a higher rate due to non-submission of PAN or any other documents as may be required by the Indian Tax authorities, tax indemnity by the company shall be limited to the extent of the lower rate of withholding tax to which the company would otherwise be eligible.

Submission of Offers

We would request your relevant overseas branch/entity to submit a comprehensive, firm and fully underwritten offer for minimum amount i.e. Japanese Yen 22 billion, either singly or jointly with other banks, in consortium of not more than four (4) banks which are recognized lenders in terms of Reserve Bank of India, Master Direction – External Commercial Borrowing No: RBI/FED/2015-16/15 FED Master Direction No.5/2015-16 as Updated. Your offer along with details of the bank(s) and the branch(es) underwriting the facility, respective underwriting commitment, amendment required in the agreement enclosed with invitation of offer (track change mode) in respect of terms and conditions of the offer shall be submitted in the format enclosed at **Annexure-II**. The offers should include a note in the Bank's profile, contact details (Telephone, fax, email address) of the person(s) connected with this offer, proposed marketing strategy for the issue, senior management commitment places for road shows, proposed time schedule and other relevant details. **Indicative offers, offers on best efforts basis or subject to the approval of the credit committee of the bank shall not be considered.**

The financial terms and conditions in the specified format shall be placed in a sealed envelope marked "Financial Terms – Offer for term loan facility to POWERGRID" and, along with the marked up copy of the draft Facility Agreement on above mentioned emails (duly identified with the bank's name) and all other relevant documents, shall be sent in a closed cover (super scribed "Offer for term loan facility to POWERGRID" to the following address so as to reach latest by 11:00 hrs on 15th October, 2018.



DGM (Finance)
(Resource Mobilization Cell)
Power Grid Corporation of India Limited
Fourth Floor, "Saudamini" Plot No.2, Sector 29,
Gurugram – 122 001 (Haryana)

Offers received within the scheduled time and date only shall be considered for acceptance. Opening of the bids will take place at 11:30 hrs on 15th October, 2018 at POWERGRID, "Saudamini" Plot No.2, Sector 29, Gurugram – 122001 to which the banks submitted offers are cordially invited.

Offers shall be evaluated on the basis of all-in-cost for the base amount of JPY22 Billion and acceptance of the covenants/draft terms and conditions of the draft Facility Agreement. The offer should be complete in all respects and incomplete offers or offers not as per specified format are liable to be rejected. POWERGRID reserves the right to reject any or all offers without assigning any reason whatsoever. POWERGRID decision on all matters concerning the borrowing will be final and binding.

In case any further clarifications are required, please contact "Mr. Sandeep Kumar Jain, DGM (Fin) at 0124-2822433 at the address mentioned above.

Thanking you,

Yours faithfully,

S.K. Jain
DGM (Finance)

Encl: as above